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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Iadependence to Colonial Countries and Peoples

Cayman Islands

Working paper prepared by the Secretariat

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I. General

1. The Cayman Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The basis of the relationship between the Government of the United Kingdom and its Non-Self-Governing Territories is enshrined in the constitution of each Territory. The British Overseas Territories Act 2002 grants the right of British citizenship to "British Overseas Territory citizens".

2. The Territory is located some 180 miles west of Jamaica and about the same distance south of Cuba. It comprises three islands: Grand Cayman (76 square miles), Cayman Brac (15 square miles) and the adjacent and largely undeveloped Little Cayman (11 square miles). The capital, George Town, is located on Grand Cayman.

3. According to information provided by the administering Power, the population of the Territory fell an estimated 7.3 per cent, from approximately 57,000 in 2008 to 53,000 in 2009. The population is about 59 per cent Caymanian and 41 per cent non-Caymanian.[1]

4. The currency of the Territory is the Cayman dollar, which is aligned with the United States dollar at approximately CI$ 1 to US$ 1.2. The major trading partner of the Cayman Islands is the United States of America.

5. The Territory was sighted by Christopher Columbus and two centuries later by Francis Drake. The first recorded British settlements were established between 1661 and 1671. The first land grant by the British Governor of Jamaica, in 1734, was made with a view to developing an existing settlement and included the use of slaves. A tradition of self-government gradually grew in the Territory, with matters of public concern initially decided at meetings of all free men. A legislative assembly was established in 1831 and slavery was abolished in 1834. Women were given the right to vote in 1958. The constitutional relationship between the Territory and Jamaica remained ambiguous until 1863, when an act of the United Kingdom Parliament made the Cayman Islands a dependency of Jamaica. When Jamaica achieved independence in 1962, the Islands remained under the British crown.

II. Constitutional, legal and political issues

6. The Constitution of the Cayman Islands entered into force on 6 November 2009, following years of public discussion, negotiations between the territorial Government and the United Kingdom and a referendum held in May of that year. Out of 11,244 voters, 62.7 per cent voted in favour of the draft Constitution.

7. The most significant changes brought about by the 2009 Constitution included an enforceable Bill of Rights, Freedoms and Responsibilities; the establishment of the offices of Premier and Deputy Governor and an increase in the number of

Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government; and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Further details are contained in previous working papers available from www.un.org/Depts/dpi/decolonization/docs.

[1] Information received from the administering Power on 7 January 2011. Other sources: The Economist Intelligence Unit, Cayman Islands and the Caribbean Report, December 2010.

elected members of the Legislative Assembly from 15 to 18. The Constitution also provides for the establishment of a number of new entities, including a National Security Council vested with the authority to make recommendations to the Governor on matters relating to the internal security of the Islands, which began its work on 3 March 2010, and for the appointment of a Judicial and Legal Services Commission, which had been formally established and had convened a number of times. The Commission advises the Governor on appointments to and removal from office and on disciplinary action in relation to the holders of certain judicial and legal offices, including the Chief Justice, Grand Court judges and magistrates, the Attorney General and the Director of Public Prosecutions (who has responsibility for the conduct of all criminal prosecutions, a function previously exercised by the Attorney General). Further, the 2009 Constitution created an Electoral Boundary Commission, which commenced its work in 2010, including through public consultations, on options for changes to electoral boundaries such as increasing the number of single-member constituencies. Freedom of information is enshrined in the Constitution and the independence and neutrality of the Complaints Commissioner are secured. Provision is also made for a Constitutional Commission, a Human Rights Commission and a Commission for Standards in Public Life, all three of which had been formally established and were operational.

8. Under the Constitution, the Governor, who is appointed for four years by the British crown, continues to be responsible for external affairs, defence, internal security and the civil service. The Governor, Duncan Taylor, was sworn in on 15 January 2010.

9. The Territory's Cabinet is headed by a Premier. The Governor appoints as Premier the elected member of the Territory's 15-member Legislative Assembly recommended by a majority of the elected members who are members of the party with the majority of seats. The Cabinet is chaired by the Governor and consists of five ministers elected by and from within the elected membership of the Legislative Assembly, and two appointed civil servants.

10. Until 2000, there were no formal political parties in the Territory and groupings known as the National Team, the Democratic Alliance and Team Cayman acted as political organizations. Following the defeat of the National Team in the 2000 general elections, a majority of the Legislative Assembly members formed the United Democratic Party (UDP) on 5 November 2001. In 2002, the opposition formed the People's Progressive Movement (PPM) and, in February 2005, the People's Democratic Alliance (PDA) was formed but is no longer active.

11. A general election was held on 20 May 2009. UDP won over the incumbent PPM, winning 9 of the 15 seats in the Legislative Assembly. PPM won five seats and an independent candidate secured one seat. As a result, McKeeva Bush, leader of the UDP, replaced Kurt Tibbetts of PPM as the Leader of Government Business (now called the Premier). A general election is due to be held in 2013.

12. Justice in the Cayman Islands is administered at three levels: the Summary Court (including the Youth Court), the Grand Court and the Court of Appeal. The Summary Court has civil and criminal jurisdiction. Appeals from the Summary Court lie to the Grand Court. The Grand Court is a superior court of record and administers the common law, the law of equity of England and locally enacted laws and applied laws. Appeals from the Grand Court lie to the Court of Appeal, composed of a president and not less than two judges of appeal. A judge of the

Grand Court may exercise any of the powers of a single judge of the Court of Appeal. Further appeal lies, in certain circumstances, to the Judicial Committee of the Privy Council in London.

13. Speaking at the Pacific Regional Seminar, held in Nouméa from 18 to 20 May 2010 under the auspices of the Special Committee on Decolonization, Steve A. McField, the representative of the Cayman Islands, said that the Government of the Cayman Islands wished to inform the Committee that the 2009 Constitution had been approved by a large majority of its voters in a special referendum. He reaffirmed that the Government of the Cayman Islands had no mandate from its people to pursue full political independence.

III. Budget

14. According to the administering Power, unaudited financial results indicated that during the 2009/10 financial year ending on 30 June 2010, the Cayman Islands Government registered a net deficit of CI$ 14.9 million compared to a net deficit of CI$ 81 million for the previous financial year.

15. In the 2010/11 budget document, the Government forecasted total operating revenues of CI$ 510.3 million, with total operating expenses of CI$ 542.2 million, resulting in a forecasted net operating deficit of CI$ 31.9 million as at 30 June 2011. In terms of capital expenditure, the Government expected to spend some CI$ 128.3 million. The capital expenditure programme included investment in education, transport infrastructure, new Government offices and financial support in the form of capital investments in statutory authorities and Government-owned companies.

16. Under the Territory's public management reform process, a new Public Service Management Law came into effect in 2007. The law constituted the second stage of reform efforts, after the Public Management and Finance Law of 2005. All of the approximately 3,600 civil servants were affected by the reform process, which allowed for decentralized personnel management decisions, performance-based assessments and related incentives.

17. The principal sources of Government revenue are import duties, financial services, fees and stamp duties. In 2010, the Cayman Islands endeavoured to find new revenue sources and to diversify its economy after the Territory ruled out direct taxation in accordance with the findings of an independent economic commission appointed by the territorial Government.

18. As outlined in the territorial Government's 2010 budget address, the Territory's five key deficit-reduction strategies constituted the major pillars of the Government's short-term policy for the financial year 2010/11. These strategies were: (a) public sector reform; (b) limits on new public sector borrowing; (c) broadening of the Government's revenue base; (d) Government expenditure reduction; and (e) private/public financing initiatives.

19. The Office of the Auditor General described in 2010 the state of financial accountability as a "national crisis" that needed to be addressed on an urgent basis. According to media reports, the territorial Government was considering how better to implement the Territory's Public Management and Finance Law. For instance, in 2010, the Information Commissioner's Office published a comprehensive list of

Government offices, with information on their policies and records and the procedures that govern them. Also, in February 2011, the Governor announced that the Public Management and Finance Law and the systems underpinning Government personnel and financial management would be reviewed by an official from the United Kingdom's Foreign and Commonwealth Office, as it was clear that the financial system was not operating properly and ways to improve the situation needed to be found.

IV. Economic conditions

A. General

20. The Cayman Islands has one of the highest standards of living in the Caribbean. The economy is based on financial services, the dominant sector in the local economy, and tourism. According to the Cayman Islands annual economic report for 2009, published by the territorial Government's Economic and Statistics Office in May 2010, the Territory's financial services industry and tourism declined in 2009 owing to weak economic activity in the major source markets.

21. According to information provided by the administering Power, for 2009, the per capita gross domestic product (GDP) was estimated at approximately CI$ 46,278. Indicators for the first nine months of 2010 suggested that the Cayman Islands economy was declining, with an estimated fall in GDP of between 3.5 and 4.5 per cent compared with 2009.

22. Total imports decreased from CI$ 735.9 million in 2009 to CI$ 496.9 million in 2010. Although imports continued to far outstrip exports, the trade gap is customarily offset by earnings from the tourism and financial services sectors. Exports in 2009 amounted to CI$ 16.0 million. The trade deficit was therefore CI$ 719.9 million, a decline from CI$ 867.0 million in 2008. In its budget policy address of November 2010, the territorial Government expressed confidence that, in spite of the economic crisis, the Territory's financial services and tourism industries would help sustain a strong economy.

23. The territorial Government's Department of Commerce and Investment, which had been tasked in 2010 with renewing its focus on investment facilitation, is responsible for stimulating and facilitating appropriate long-term, inward and local investment in the Cayman Islands. It is also charged with providing technical assistance to local entrepreneurs and small businesses and linking investors with potential customers, suppliers and other business partners.

B. Agriculture and fisheries

24. The Territory's Department of Agriculture continued to seek to develop sustainable agricultural production in order to promote self-sufficiency and food security for the Cayman Islands and to preserve and protect the health of the Islands' plants and animals. According to information provided by the administering Power, in 2009 the sector contributed 0.4 per cent to total GDP, or CI$ 8.9 million, up from CI$ 8.1 million in 2008. Most of this gain came from increases in the production of

domestic crops, such as bananas, plantains, pears, cassavas and neese berries, which rose from CI$ 4.6 million in 2008 to CI$ 5.3 million in 2009.

25. In 2010, the Cayman Islands Department of Agriculture joined others in the region working in conjunction with the United States Department of Agriculture and the University of Florida to launch a Caribbean pest diagnostic network that allows technical staff to share digital images of pests and to access experts worldwide.

26. In the area of production, the Department continued to place emphasis on expanding the adoption of protected agriculture systems as the major mechanism for increasing domestic production of fresh vegetables, particularly for the winter market. Orchard development was another area of focus both through the establishment of a demonstration orchard in Cayman Brac and the use of the Department's orchard in Grand Cayman. The territorial Government owns a turtle farm that continued to supply meat to restaurants and the public with a view to protecting the species.

C. Tourism

27. According to the 2010 budget address, tourism and tourism-related services accounted for 30 to 40 per cent of the Territory's GDP. According to information provided by the administering Power, in 2009 there were a total of 1,520,400 arrivals, of which 271,958 came by air, a decline of 10 per cent compared with 2008. Improvements in arrivals during 2010 were possible in spite of the ongoing global economic crisis thanks to close cooperation and collaboration among the Cayman Islands Government Ministry and the Department of Tourism, the Sister Islands Tourism Association and the private sector. According to the territorial Government, the emergence of medical and sports tourism, two new areas of focus in the tourism industry, was expected to stimulate growth of the local economy.

28. According to the 2010 budget address, a multi-destination tourism partnership with Cuba was expected to prove important to the future of the Territory's tourism industry. Further information provided by the administering Power indicated that, in conjunction with Cayman Airways, the territorial Government was examining the feasibility of increased visits from possible new tourist markets such as South America.

D. Financial services

29. The financial sector is one of the main pillars of the Cayman Islands economy. According to information provided by the administering Power and published estimates, the financial services sector accounted for approximately 60 per cent of employment, 43 per cent of GDP and 40 per cent of Government revenue. The Territory remained among the top international financial centres in the world.

30. As reflected in the Cayman Islands annual economic report for 2009, the sector continued to exhibit the adverse effects of the global economic crisis, as all performance indicators weakened. Insurance licences continued to grow, but at a lower pace compared with the previous year. Downturns were recorded in mutual funds registration (-3.5 per cent), stock exchange listings (-16.9 per cent) and new company registrations (-33.7 per cent), while banks and trusts continued to fall by

4.3 per cent. According to media reports, in late 2010, 9,623 funds were registered in the Caymans, 577 fewer than the record number of 10,200, reached in 2008. The formation of new funds had increased by 5 per cent a month since 2009, with an average of 105 funds opening every month and terminations falling by 40 per cent, or some 45 a month.

31. According to the 2010 budget address, the Ministry of Finance was pursuing a number of strategic priorities to further modernize and enhance regulation and supervision to ensure that the Territory kept on par with the evolving international regulatory standards and best practices that were relevant to the financial services business.

E. Infrastructure, transport and construction

32. According to the Territory's annual economic report, construction declined in 2009, as indicated by the value of building permits, which reached CI$ 355.0 million (29.3 per cent lower than in 2008). The value of planning approvals also fell by 14.6 per cent to CI$ 434.2 million. In contrast to this general trend, in 2009 the territorial Government issued 540 certificates of occupancy on Grand Cayman valued at CI$ 279.6 million, 25.6 per cent higher than in 2008.

33. According to the 2010 budget address, several major construction projects were under way in the Territory, such as a new sewerage system and a waste-to-energy facility, each valued at CI$ 150 million. The territorial Government's housing development, which involved building affordable homes, was ongoing in 2010.

34. The road network of the Cayman Islands comprised approximately 785 kilometres of roadways, the majority of which were in Grand Cayman (485 kilometres). In 2010, the Territory's National Roads Authority resurfaced approximately 19 kilometres of the north coast road in Cayman Brac and 90 district roads.

35. The port of George Town is the main gateway for cruise ships. The Cayman Islands is served by scheduled passenger liners and a number of locally owned or registered vessels that provide cargo services. According to the Governor's 2010 Throne Speech, the territorial Government initiated an infrastructural development plan that encompassed a new cargo facility in East End, the improvement of the North Sound Channel to accommodate mega-yachts and the development of new cruise berthing facilities.

36. International air services are provided between Grand Cayman and Canada, Cuba, Europe, Honduras, Jamaica and the United States. Domestic airline services and charters operate between the three islands.

F. Telecommunications and utilities

37. As a leading international business centre, the Territory is dependent on telecommunications and utility services. There are currently four telephone companies providing fixed and/or mobile voice and data services, 16 FM radio broadcasting stations and one television broadcaster. According to statistics for 2009 published by the Territory's Information and Communications Technology

Authority, the total number of lines at the end of the year was 144,850, representing an 8 per cent increase over the 2008 figure, or 2.74 telephone lines per resident. There were also 34 broadband connections per 100 residents.

38. During 2009, the consumption of utility services increased as follows: water consumption by 5.3 per cent to 1,741.9 million gallons and electricity by 6 per cent to 539.56 million kilowatt-hours in 2009.

V. Social conditions

A. Labour and immigration

39. According to information provided by the administering Power, a census of population and housing was conducted in the Cayman Islands from 10 October to 14 December 2010. A preliminary census count was expected to be released at the end of March 2011, while the final census report was expected by December 2011.

40. Based on information contained in the Cayman Islands annual economic report for 2009, the labour force was estimated at 36,100, approximately 7.4 per cent lower than in 2008. The unemployment rate rose to 6 per cent compared to 4 per cent in 2008. The number of unemployed persons rose by approximately 630. The labour force declined by approximately 3,000.

41. According to the territorial Government, the labour supply in the financial, construction, retail and office sectors is essentially demand-driven, with some 50 per cent of the demand being met through expatriate workers. A total of 21,429 work permits were in effect in 2009. The number dropped to 21,037 in December 2010, a fall of 13 per cent. The reduction was attributed to the global economic downturn and the number of work permit holders who became permanent residents.

42. A graduated system of rights enables foreign workers to have work permits for a period of seven years. Workers with particular skills that are in demand may be designated as "key employees" and granted work permits for a further two years. During that additional period, they would become eligible to apply for permanent residence in the eighth year. Workers who are not selected as key employees must leave the Territory after their seventh year, but may return and work again after an absence of one year. Persons who obtain permanent residence will become eligible for naturalization as a British Overseas Territories citizen after one year, after which they may apply for the status of a native-born resident, or "belongership". According to the territorial Government, under a pilot accreditation system developed in 2010, corporations that promote the Caymanian workforce were given preferential treatment by the work permit system. Further, under a new annual certificate policy, special caregivers are allowed to remain in the Territory on a year-to-year basis beyond the normal seven years.

43. In that connection, the territorial Government issued a directive in 2010 that certain business activities were reserved for Caymanians, such as trucking, commercial fishing, painting, auto repair, radio broadcasting, electrical and plumbing trades, air conditioning, water sports, office supplies, beauty salons, real estate agencies, security companies and transportation. At the same time, the territorial Government piloted a "Passport2Success" programme to assist

unemployed youth aged 16 to 19 to develop the skills necessary to find and maintain gainful employment. Twenty-two participants completed the programme in 2010.

B. Education and cultural affairs

44. Education is compulsory for all resident children between 4 years and 9 months, and 16 years of age. The public education system caters to about two thirds of Caymanian children, with the remainder attending fee-paying schools. Tuition is free for Caymanians at the public primary and high schools. Private schools also provide primary and/or secondary education and are monitored by the territorial Government.

45. Two public and two private institutions provide tertiary education. The University College of the Cayman Islands, until 2004 known as the Community College, is owned by the territorial Government and administered independently. The Cayman Islands Law School, affiliated with the University of Liverpool in the United Kingdom, is also Government-owned, whereas the International College of the Cayman Islands and the St. Matthew's University are private.

46. In 2009, a comprehensive restructuring of secondary education in Grand Cayman was initiated and completed for the start of the 2010 school year, with the creation of two high schools for students aged 7 to 11 and the discontinuation of middle school. A further education programme was also launched in 2010 to provide a bridge between high school and employment and/or higher education. The territorial Government began a programme at George Town Primary School to pilot an early childhood education programme. Technical and vocational training was a priority in 2010, particularly targeting unemployed youth aged 16 to 25. New programmes were designed and existing programmes modified to make externally accredited vocational, career and technical education subjects available at high school. Among the subjects were leisure and tourism development, catering, music technology, health and social car . At the same time, work on the construction of two new high school campuses continued during 2010/11, with a view to completing work in a cost-effective and timely manner.

47. According to media reports, the territorial Government embarked in 2010 on a Young Nation-Building Programme, supporting various arts, history and culture programmes that were expected to help the Territory's children become nation builders.

C. Public health

48. The Territory's Health Services Authority is responsible for the provision of all public health care. In addition to general medical care, a wide range of specialist services is available locally. Health Practice Councils are responsible for the registration of all health practitioners. There is one 124-bed Government-run hospital, which includes an emergency room, and a private 18-bed hospital, both in George Town. There is also an 18-bed Government-run hospital on Cayman Brac and several district health centres and clinics throughout the Territory. On average, 90 per cent of children are immunized every year.

49. Health insurance is compulsory in the Cayman Islands. According to information provided by the administering Power, the current minimum insurance does not provide adequate coverage and is under review. The Territory's health-care system faces particular financial challenges, including an outdated standard health insurance fee structure, the aforementioned inadequate minimum insurance and high cost of overseas care. The strategic plan for 2010 to 2015 recognized the continued need to improve revenues in the Territory's health sector.

D. Crime and public safety

50. The almost 400-strong Royal Cayman Islands Police Service is headed by a Commissioner. Under the 2009 Constitution, the Police Commissioner continues to report to the Governor, who periodically updates the Territory's new National Security Council and Premier on matters relating to internal security and criminal activity. The Governor, in his 2010 Throne Speech, reported that the Council had begun its work in several meetings and would agree on a crime reduction strategy. In particular, the Council had explored how the public and business community could assist in the effort. According to the 2010 budget address, the territorial Government called upon the community to continue to do its part in providing information to the authorities, as it installed security camera systems and other measures to strengthen safety and security in the Territory. Media reports quoting police sources point to the presence of some 30 criminal gangs in the Territory.

51. According to the Governor's 2010 Throne Speech, the Police Service would continue to strengthen its crime-fighting capabilities by hiring suitably qualified staff and giving them the equipment they needed to carry out their functions, complementing existing resources, which include a helicopter and marine assets. The Police Service would also develop its intelligence capabilities in order to better secure the Territory's borders against the illegal entry of persons, guns and drugs.

52. For its part, the Immigration Department would also work to reduce immigration-related crime. A passenger information system would identify undesirable persons prior to their arrival in the Territory and speed up processing for legitimate passengers. Fingerprinting of all work permit holders began in 2010.

53. In November 2010, a Police Bill became law that, inter alia, codifies the treatment of persons in detention and their rights to due process and legal representation. According to the administering Power, the Prison Service was guided to encourage educational and literacy courses for inmates and to expand rehabilitative opportunities for drug and alcohol abusers in order to address recidivism.

54. The Cayman Islands Monetary Authority is the body responsible for monitoring compliance with international financial standards in the Territory and reporting findings to the territorial Government on a regular basis. According to media reports, in accordance with the Territory's Anti-Corruption Law, an Anti-Corruption Commission was established in 2010 to receive, consider and investigate any report of corruption, including any attempted offences or conspiracies to commit corruption, and to assist overseas anti-corruption authorities with corruption investigations. Under the law and with the assistance of the Grand Court, the Anti-Corruption Commission has the power to order a freeze on a person's bank account or property for up to 21 days if there is reasonable cause to

believe that the person is involved in corruption. Commission members can also request banks and other entities to release information needed in corruption investigations.

E. Human rights

55. The Territory is subject to several major human rights conventions to which the administering Power has acceded, including the European Convention on Human Rights. The Treaties and Conventions Unit within the Attorney General's Chambers oversees the extension of the international human rights instruments to the Cayman Islands. According to the administering Power, in 2010 Cayman Islands representatives attended a workshop hosted by Anguilla that looked at ways to accelerate the process of extending the Convention on the Elimination of All Forms of Discrimination against Women to a territory. The Commonwealth Foundation, together with other stakeholders, including the Attorney General's Chambers, conducted a human rights workshop for public officers in the Cayman Islands, focusing primarily on the new Bill of Rights provisions of the 2009 Constitution.

56. The right of freedom of information is also enshrined in the Constitution. In 2010, media reports indicated that the territorial Government had some misgivings about the implementation of the relevant constitutional provisions on freedom of information, especially related to the cost of answering queries.

57. In compliance with the provisions of the 2009 Constitution, the Territory set up a Human Rights Commission to replace the Human Rights Committee, with responsibilities such as receiving and investigating complaints of breaches or infringement of any right or freedom contained in any human rights treaty in force in the Islands. The Commission is also empowered to issue independent reports relating to human rights and promote the understanding and awareness of human rights. However, the Commission does not have the authority to represent or provide representation to parties to litigation in which human rights issues may arise nor can it act in a judicial capacity or make binding determinations upon any matter.

VI. Environment and disaster preparedness

58. In 2010, the Department of Environment completed the first draft of a national climate change adaptation and mitigation policy aimed at addressing the vulnerabilities and opportunities of global climate change. The territorial Government had also embarked on the process of formulating policies and incentives to encourage businesses in the tourism sector to adopt more environmentally friendly practices. The Cayman Islands Environmental Project and the Queen Elizabeth II Botanic Park for the Tourism Sector, launched in 2010, and two diving resorts had been Green Globe certified. The Environmental Project team was also reviewing the requirements for attaining Green Globe certification for the entire Island of Little Cayman.

59. In 2010, the territorial Government considered proposals to convert waste material into energy and concluded contracts for the removal of over 6,000 tons of baled scrap metal from the George Town landfill and tenders for all remaining scrap in the three Islands, cleaning up 15 acres at the landfill.

60. The Planning Department and a newly established National Scientific Research Council work alongside other agencies to ensure that the Territory's natural resources are preserved and protected.

61. The Hazard Management Cayman Islands agency has overall responsibility for the Territory's hazard management programme, including preparedness, response, mitigation and recovery. The agency deals with all hazards (man-made and natural) and is permanently staffed and ready to be deployed at all times. It is responsible for the National Emergency Operations Centre located at the Fire Station in George Town. The Centre is activated to direct and coordinate the response to national threats. In addition, the Meteorological Office, the Lands and Survey Department and the National Hurricane Committee have in place various systems for crisis information management. An annual hurricane exercise is conducted prior to the start of the hurricane season, which runs from 1 June to 30 November.

62. On 17 January 2010, a 5.8 magnitude earthquake provoked a strong interest in earthquake awareness. Seminars and drills were organized by both Government and business sectors. A programme had already been established in the schools. Four seismic stations, which had been installed in the Cayman Islands, would become part of the Caribbean Tsunami Network. They would also form part of the regional earthquake monitoring and reporting network.

VII. Relations with international organizations and partners

63. The Cayman Islands is an associate member of the Economic Commission for Latin America and the Caribbean. The Territory is an associate member of the United Nations Educational, Scientific and Cultural Organization and a member of the Universal Postal Union.

64. The Cayman Islands is an associate member of the Caribbean Community and a member of the Caribbean Development Bank and the International Olympic Committee.

65. As a Non-Self-Governing Territory of the United Kingdom, the Cayman Islands is associated with, but not a part of, the European Union.

VIII. Future status of the Territory

A. Position of the territorial Government

66. Information on the position of the territorial Government regarding the future status of the Cayman Islands is contained in section II above.

B. Position of the administering Power

67. Information on the general position of the United Kingdom was included in the report of the Secretary-General entitled "Second International Decade for the Eradication of Colonialism" (A/65/330, annex). On 4 October 2010, the United Kingdom made a statement before the Special Political and Decolonization

Committee (Fourth Committee) during the sixty-fifth session of the General Assembly.

68. According to the record of the Fourth Committee meeting (A/C.4/65/SR.2), the representative of the United Kingdom, inter alia, reiterated the British Government's established position that its relationship with its Overseas Territories was a modern one based on partnership, shared values and the right of each Territory to determine whether it wishes to stay linked to the United Kingdom or not. Although the situation in each Territory was different and some Territories were at a more advanced stage of development than others, the United Kingdom would continue to work with all the Territories, as appropriate, in areas such as good governance, political and economic development and transparency, enhanced security and reduced vulnerability to natural and non-natural disasters.

69. The speaker went on to say that the relationship between an Overseas Territory and the United Kingdom was enshrined in the constitution of each Territory. A recent constitutional review process with a number of the Territories had resulted in updated provisions of existing constitutions, such as those relating to human rights, good governance, and the respective roles of the Governor and locally elected politicians.

70. Furthermore, good governance had been the central theme in all constitutional talks with the Territories. The British Government had no wish to micromanage its relationship with its Overseas Territories and was committed to allowing each Territory to run its own affairs to the greatest degree possible. That, however, brought with it responsibilities on the part of each Territory. Where the United Kingdom was of the view that a Territory was failing to fulfil the international obligations that extended to it or that developments in a Territory gave rise to other concerns, the British Government would not hesitate to raise it with the Territory's Government and to intervene where necessary.

C. Action taken by the General Assembly

71. On 10 December 2010, the General Assembly adopted without a vote resolutions 65/115 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/65/23) and its subsequent consideration by the Fourth Committee. Section V of resolution 65/115 B concerns the Cayman Islands. Under that section's operative paragraphs, the General Assembly:

> 1. *Welcomes* the promulgation of a new Constitution in November 2009, and the appointment of Commissioners of the new Constitutional Commission by the Governor, in consultation with the Premier and the Leader of the Opposition;
>
> 2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public awareness outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations, and, in this regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;
>
> 3. *Welcomes* the efforts made by the territorial Government to address sectoral management policies and cost-of-living issues in various economic sectors.

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United States Virgin Islands

Working paper prepared by the Secretariat

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I. General

1. The United States Virgin Islands is a Non-Self-Governing Territory administered by the United States of America. The Territory is located in the eastern part of the Caribbean Sea, 1,075 miles south-east of Miami and 60 miles east of Puerto Rico. The total land area is about 352 square kilometres. The Territory is made up of four main islands: St. Croix, St. John, St. Thomas and Water Island. The capital, Charlotte Amalie, is located on St. Thomas. The Islands were in Danish possession from 1754 to 1917, when their purchase for $25 million by the United States of America became effective. United States citizenship was granted to Virgin Islanders under Acts of Congress on 25 February 1927 and 28 June 1932 through collective naturalization. The United States Office of Insular Affairs carries out the responsibilities of the Secretary of the Interior for the Territory.

2. The population of the Territory in 2006 was estimated at 113,689 (the 2010 census data for the United States Virgin Islands has not yet been made public). The racial stratification of the Territory's population is as follows: 70.61 per cent black, non-Hispanic; 5.57 per cent black, Hispanic; 11.30 per cent white, non-Hispanic; 1.70 per cent white, Hispanic; 6.63 per cent other Hispanic; 1.07 per cent Asian; and 3.03 per cent other. The languages spoken are: English or English Creole (74.70 per cent); Spanish or Spanish Creole (16.78 per cent); French or French Creole (6.57 per cent); and other (1.95 per cent). Religious preferences include: Baptist (42 per cent); Roman Catholic (34 per cent); Episcopalian (17 per cent); and other (7 per cent). About 95 per cent of the population live in urban settlements. The life expectancy at birth for the total population is 78.11 years. Literacy, defined as the proportion of the population aged 25 years and above that has completed fifth grade, is 97 per cent.

II. Constitutional, political and legal issues

3. The United States Virgin Islands is an organized, unincorporated Territory of the United States. Under the Organic Act of the Virgin Islands (1936), its revision in 1954, and subsequent amendments to the Revised Organic Act of 1954, the Territory has a Legislature, also known as the Senate, which is a unicameral body comprising 15 senators elected for a two-year term by popular vote. Executive power is vested in a Governor, who has been elected on the same ticket as the Lieutenant-Governor since 1970 by popular vote for a four-year term. The Governor is limited to two consecutive terms, but can be elected again after one full term out of office. The Governor appoints, with the advice and consent of the Legislature, the heads of the executive departments and has the power to approve or veto legislation and issue executive orders.

4. In the November 2010 gubernatorial election, John Percy de Jongh of the Democratic Party was re-elected Governor and Gregory Francis was re-elected Lieutenant Governor. The Territory's last legislative elections were held on 2 November 2010. The Territory elects a delegate to the United States House of Representatives, who is able to vote in committees. Democratic Candidate Donna

Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

M. Christensen won the 2010 election by 71 per cent of the votes and was re-elected to an eighth two-year term as the United States Virgin Islands Delegate to the United States Congress. Craig W. Barshinger remains Senator at Large, having defeated his two opponents by a wide margin.

5. The Territory's judicial system has a District Court, a Superior Court and a Supreme Court, which became operational in January 2007. The Supreme Court of the Virgin Islands is the appellate court of the Virgin Islands that hears appeals decided by the Islands Superior Court. The establishment of the Supreme Court eliminates federal judicial involvement in purely local legal matters.

6. Since the Organic Act of the Virgin Islands was revised by the administering Power in 1954, there have been four attempts to replace it with a local constitution approved by the people of the Territory, which would organize the internal mechanisms of government. Although the United States Congress authorized the adoption of a local constitution in 1976 under United States Public Law 94-584, none of the four attempts made were successful.

7. As previously reported, on 26 May 2009 the Fifth Constitutional Convention adopted a proposed Constitution of the United States Virgin Islands by a two-thirds vote. The text of the proposed Constitution was submitted to the Governor on 31 May 2009. In a preamble and 19 articles, the 27-page text of the proposed Constitution includes provisions on a bill of rights; principles, branches and subdivisions of government; Virgin Islanders; elections; education; youth; taxation, finance and commerce; economic development; public health, safety and welfare; culture; protection of the environment; referendums and recalls; and creation of a Political Status Advisory Commission.

8. With regard to the creation of a Political Status Advisory Commission, the proposed Constitution states in article XVII that this should be done within two years of the adoption of the Constitution, with a term of office of three years. Moreover, after a year of public education on the status and federal relations options of (a) statehood, (b) free association and (c) independence, a special election would be held. The special election on status would be reserved for vote by "ancestral native" and "native" Virgin Islanders, as defined in article III of the proposed Constitution, whether residing within or outside the Territory.

9. Article III of the proposed Constitution states that an "ancestral native" Virgin Islander is a person or a descendant of such a person who was born or lived in the Territory on or before 28 June 1932 and was not a citizen of any other country; a "native" Virgin Islander is a person or descendant born in the Territory after 28 June 1932.

10. Certain provisions of the proposed Constitution have been a source of contention. For instance, under article VI, only "ancestral or native" Virgin Islanders are qualified to run for Governor and Lieutenant-Governor. Also, under article XI, "ancestral native" Virgin Islanders would not have to pay certain property taxes. Moreover, in a letter made public, the Governor articulated that the most general and generous reading of the draft Constitution showed it to be inconsistent with basic tenets of equal protection and fairness.

11. Speaking before the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 22 June 2010, Gerard Luz Amwur James II, President of the Fifth Constitutional Convention of the United States Virgin Islands,

said that initially the Governor had refused to forward the proposed Constitution to the administering Power. However, in December 2009 he complied, following a ruling of the Territory's Superior Court.

12. On 26 February 2010, the President of the United States submitted the proposed Constitution to Congress, endorsing the conclusions reached by the Department of Justice that several features of the proposed text warranted analysis and comment, including the absence of an expressed recognition of United States sovereignty and the supremacy of federal law; provisions for a special election on the territorial status of the United States Virgin Islands; and provisions conferring legal advantages on certain groups defined by place and timing of birth, timing of residency or ancestry.

13. According to the statement made by the President of the Fifth Constitutional Convention on 22 June 2010 before the Fourth Committee, in March 2010 a delegation of the Convention, led by him, held consultations with United States congressional officials. The officials expressed a major objection to the provision in the proposed Constitution regarding the ownership by the people of the Territory of their marine resources. Another objection related to any meaningful reference to the native population and the provision of certain benefits. As a result, Congress asked the Convention to reconvene in order to consider the administering Power's objections to the proposed Constitution.

14. The President of the Convention stressed that the submitted proposed Constitution did not intend to alter the status of the Territory and would not serve as the basis for removing it from the United Nations list of Non-Self-Governing Territories. The proposed Constitution contains a relevant provision that would, upon adoption of the text, create a mechanism to examine future options with regard to political status.

III. Budget

15. In October 2010, the United States Virgin Islands Legislature passed a bill providing for a General Fund appropriation level of $831.3 million for the 2011 fiscal year. The budget includes $703,748,916 for the executive branch for all central Government departments and agencies. The executive budget includes $112,705,617 for a miscellaneous section under which smaller amounts are earmarked for local projects, programmes and community groups, as well as $19.8 million for the Senate and $39,311,741 for the United States Virgin Islands judicial branch. In his State of the Territory address, the Governor said that the 2011 fiscal year would be difficult. The financial situation had been worsened by the tax bill passed at the end of the last Congress. That legislation, as well as continuing the reduced income tax rates, also required the United States Virgin Islands to implement a small business tax credit with no offset, further straining the Territory's financial position.

16. According to the Governor, in 2011 General Fund revenues were projected to be down by 20 per cent from the 2008 pre-recession level. Personal income taxes were down 16 per cent and corporate income taxes had declined 71 per cent. Net income tax decreased 31 per cent while gross receipts taxes were down 5 per cent. For the General Fund, a revised shortfall for 2011 was projected at $75 million and for next year at $132 million. These deficits do not include the unfunded pension

fund contribution, which, if fully met, would increase these annual shortfalls by approximately $70 million each year.

17. To help cover the current operating budget gap and to avoid lay-offs, the Government will issue $250 million in bonds, to be backed by the excise tax on rum. The Government is also attempting to bridge the budget shortfall through reductions in the miscellaneous section of the budget, savings realized from a limited hiring freeze, attrition and the acceleration of capital projects.

18. The federal Government has continued to provide funding for the Territory's budget, inter alia, through the American Recovery and Reinvestment Act, stimulus which has contributed funding (approximately $242 million) and the State Fiscal Stabilization Funds ($47.5 million). The Energy Office also secured more than $31 million through the American Recovery and Reinvestment Act for energy efficiency and renewable energy projects. These funds will allow for the expansion of the solar water-heating industry in the Territory, the harnessing of landfill gases as a source of energy, an increase in energy efficiency consumer rebates and numerous other renewable energy projects.

IV. Economic conditions

A. General

19. Many of the Territory's economic indicators, although still negative, improved over the last two quarters of 2010. The Territory's unemployment rate declined from 8.5 per cent in the first quarter of the 2010 fiscal year to 8.0 per cent in the second quarter. Although initial unemployment claims were also in decline, the level of claims remained relatively high. The housing and real estate market appeared to be on a steadier footing, as construction permit values increased in recent months. Even so, nearly all of the economic sectors, including construction, trade, financial services and tourism, reported negative job growth. At the same time, the number of jobs in other areas of the service sector containing many small businesses grew 6.2 per cent in the second quarter. The professional and business sector also showed a modest job growth of about 2 per cent over the past two quarters. However, the Government's budget deficit may potentially derail the broader recovery.

20. Even construction, which had been the hardest-hit industry, started to see an increase in activity and jobs from Government public projects and the Diageo and Cruzan Rum distilleries.

B. Tourism

21. Tourism, which accounts for 70 per cent of the gross domestic product, remains the main sector of the United States Virgin Islands economy. Its importance can be seen both in terms of direct employment and its impact on entrepreneurship and small business development. Approximately 2 million tourists visit the Islands annually, arriving by cruise ship and air. Visitor arrivals increased a solid 18.4 per cent in the second quarter of 2010 compared with the 4.6 per cent recorded in the first quarter. Air arrivals increased 15.4 per cent, reaching 213,583 visitors and cruise passenger arrivals increased a robust 19.4 per cent, reaching 656,125 visitors,

bringing the total number of visitors to 869,708 from 734,551 in the second quarter of the 2009 fiscal year. A total of 1,491,579 visitors arrived in the Islands during the first six months of the 2010 fiscal year, 12.2 per cent more than the corresponding period in the 2009 fiscal year. Hotel occupancy rates have improved by 3.4 per cent in the past six months and hotel revenues have grown 12 per cent over the past year.

22. With a view to reinvigorating its critical tourism industry, the territorial Government has built up the cruise ship base of St. Thomas and brought cruise ships back to St. Croix on a regular basis. The air service and the capacity of airlines serving the Territory have been expanded as well. Plans are under way to invest in hotel developments and increase the participation of private investors.

23. The growth in visitor arrivals was supported by the Department of Tourism's multimedia advertising and promotional campaign launched to attract more holidaymakers from the United States, Europe and Puerto Rico.

C. Manufacturing, construction and financial services

24. The manufacturing sector, which is the second-largest sector in the economy and is composed primarily of businesses dealing in refined petroleum products, rum, dairy and jewellery, registered a decline in output and employment in 2010. Weakening global demand, high oil prices and lower profit margins on refined petroleum goods added to the decline in Hovensa's export products last year, while competition from other countries and weak demand caused the near collapse of the watch industry to the point where only one watch company remains. Employment in the manufacturing sector fell 4.5 per cent in the second quarter, averaging 2,166 jobs, a decrease of about 110 jobs over the second quarter of the 2009 fiscal year. The completion of Hovensa's turnaround project was the main reason for the job losses.

25. The Hovensa oil refinery, which employs more than 10,000 workers, produces a variety of refined products from crude oil imported from around the world, primarily from the Bolivarian Republic of Venezuela. The refinery is located on St. Croix and is one of the 10 largest in the world, with a crude oil distillation capacity of 495,000 barrels per day. Some of the products refined include gasoline, diesel, home heating oil, jet fuel, kerosene and residual fuel oil. Most of the industry's refined products (95 per cent) are exported to the United States. The value of Hovensa's refined products increased a significant 61.0 per cent to $2,920.3 billion in the second quarter of 2010 compared with the same period the previous year. For the first six months of 2010, $5,542.2 billion in refined products were exported.

26. The rum industry has shown remarkable improvement and continued to perform well. Rum exports increased 23.9 per cent, from 2,143 proof gallons in the second quarter of 2009 to 2,654 proof gallons in the second quarter of 2010. Rum exports in the first six months of the 2010 fiscal year totalled 4,830 proof gallons, a 20.7 per cent increase over the previous year. Rum produced in the United States Virgin Islands is exported in bulk primarily to the United States and is sold to local and regional bottlers for sale under a variety of private label and regional brand names.

27. The construction sector remained weak. Nonetheless, in 2010 the trend was positive. The total value of building permits, which measures future construction activity, increased 8.4 per cent, from $53 million in the first quarter of 2009 to $58 million in the same quarter of 2010. In the second quarter, permit values increased 12.6 per cent year-on-year to $47.5 million from $42.2 million. While the number of construction jobs remained below pre-recession levels, there has been gradual improvement aided by local and federal stimulus funding on road projects, the Diageo rum distillery and storage facility, and the Cruzan Rum distillery expansion and wastewater facility. The number of construction jobs averaged 2,159 in the second quarter compared with 2,269 for the corresponding period in the 2009 fiscal year.

28. Financial figures for the banking industry for 2009 and 2010 are not yet available. As regards jobs in the financial, insurance and real estate sector, their number for the second quarter fiscal year 2010 declined 6.3 per cent to an average 2,395 compared to 2,555 for the second quarter of 2009. Overall deposits of private individuals, partnerships and corporations fell $15 million to about $1,688.4 billion in 2008 from $1,703.1 billion in 2007.

D. Trade, transportation and utilities

29. The trade, transportation and utilities sector, dominated by retail trade activities, experienced in 2010 the effects of a fall-off in consumer spending, visitor travel and other transportation-related services. Retail trade jobs, which represent 90 per cent of jobs in the trade sector, declined 3.8 per cent in the second quarter of 2010 to 6,025 compared with 6,266 in the same quarter of the 2009 fiscal year. Wholesale trade jobs declined from 705 to 668 in 2010. Jobs in transportation, warehousing and utilities declined by 2.8 per cent to 1,602 from an average of 1,647 jobs in the second quarter of 2010.

30. The United States Virgin Islands has approximately 1,250 kilometres of roadways and some 65,000 registered vehicles. The Territory has one of the best natural deepwater harbours in the Caribbean and is strategically located along the Anegada Passage — a key route for ships bound for the Panama Canal. The Territory has five major docking facilities, which can accommodate cruise ships and some naval vessels. Three of the docks are on St. Croix, namely South Shore, Gallows Bay and Frederiksted. The other two are on St. Thomas, namely, the facilities operated in Crown Bay by the Virgin Islands Port Authority, a semi-autonomous Government agency, and the Islands-owned West Indian Company.

31. In the 2011 State of the Territory address, the Governor stressed that the United States Virgin Islands would redevelop its transportation systems with a view to addressing traffic flow problems. Particular attention would be paid to the water transportation provided by ferries servicing all of the United States Virgin Islands. As previously reported, the United States Department of Transportation and Federal Aviation Administration had awarded the Port Authority of the Territory over $14 million for the ongoing rehabilitation of the runway of Cyril E. King Airport.

32. The Virgin Islands Water and Power Authority is an autonomous governmental entity of the territorial Government that produces and distributes electricity and potable water to approximately 54,000 electrical and 12,000 potable water

customers. The Authority installs and maintains street lights in the Territory. Electricity is thermally generated using imported fuels. In order to diversify its sources of energy, the Authority is conducting feasibility studies on the use of natural gas, solar energy and wind for the generation of electricity. It is also working with the Waste Management Authority on developing waste-to-energy facilities as part of its generation portfolio. In the 2011 State of the Territory address, it was pointed out that the Territory is implementing a plan to reduce by 60 per cent its dependence on fossil fuels over the next 15 years.

33. As previously reported, owing to limited freshwater supplies, salt water is used extensively for non-domestic purposes, including firefighting and sewage. A desalination plant on St. Thomas produces approximately 4.5 million gallons of water per day. Wells, particularly on St. Croix, supply the remainder of the freshwater necessary. Owing to the high cost of water, average daily consumption is about 50 gallons per person per day, about one third the United States average.

34. In terms of communications, the Territory has approximately 59,000 telephones, 8,700 Internet hosts (a computer connected directly to the Internet), and a number of radio and television broadcast stations. In cooperation with the United States Department of Commerce, the Territory is working on a broadband project, expected to be completed by June 2013, with over $115 million in federal, in kind and local cash contributions. The project, which entails laying out of 244 miles of new fibre cables connecting more than 700 pieces of network equipment, will create over 300 construction jobs and provide an opportunity for locals to be trained in fibre splicing and network maintenance. When completed, over 45 public computer centres will be established or renovated with advanced information technology.

E. Agriculture and fisheries

35. Historically, sugar cane and, to a lesser extent, cotton were the main sources of revenue for the Territory's economy. Currently, the agricultural sector is very small and comprises mainly fruit and vegetable cultivation and cattle-raising. According to the Governor's 2011 State of the Territory address, the United States Virgin Islands intends to achieve some level of food security by fostering relationships and practices that will expand opportunities for its farmers and protect the interests of its fishermen, even as the federal Government attempts to define and restrict their annual catch limits. The Governor believes that, while increased support and investment in both farming and fishing are not likely to result in near-term self-sufficiency, they will one day put the Territory in a much better position than the one it is in today.

36. In 2010, the Virgin Islands Department of Agriculture continued its farmer-focused programmes and services and worked to complete and develop new projects. These included the completion of the Bordeaux Farmers Market, the complete installation of water wells (including pumps and distribution lines) in Estates Bordeaux and Dorothea on St. Thomas, the installation and expansion of new water distribution lines in the Community Gardens in St. Croix and the Territory-wide implementation of the Small Livestock Enterprise Development Program.

V. Social conditions

A. Labour

37. Generally, employment losses were less severe in the second quarter of the 2010 fiscal year than they were in the first quarter of that year. From January to March 2010, civilian employment fell 3.7 per cent compared with the same year in 2009, for a net loss of about 1,809 jobs. In the second quarter 46,907 persons were employed in civilian jobs: 20,170 on St. Croix and 26,737 on St. Thomas and St. John. As of the second quarter, the Territory's unemployment rate averaged 7.9 per cent, 1.4 per cent higher than a year ago. The rate for St. Croix increased to 8.5 per cent from 7.8 per cent in 2009, while the rate for St. Thomas and St. John increased year-on-year to 7.5 per cent from 5.6 per cent in 2009.

B. Education

38. Education in the United States Virgin Islands is compulsory and free for all children between five-and-one-half and 16 years of age. The Territory's Department of Education administers approximately 40 schools. The University of the Virgin Islands has campuses on St. Thomas and St. Croix, teaching some 2,500 full and part-time students in a variety of fields, such as education, business and public administration, as well as marine and environmental science, with over 300 graduates per year. A federal source estimates the Territory's literacy rate at about 95 per cent.

39. According to the Governor's 2011 State of the Territory address, the territorial Government ensured a continued increase in the "annual yearly progress" of its schools. In 2010, 19 schools made such progress compared with 13 schools in 2009. The goal was to raise the quality of all teachers. The Governor acknowledged that the artificial limitation on the school year was hurting children, adding that the limited school year must be lengthened.

C. Public health

40. The Virgin Islands Department of Health maintains facilities on St. Thomas, St. John and St. Croix. The Department also maintains a long-term care facility for the mentally ill on the island of St. Thomas. Department outreach efforts include educational, preventive and treatment services via clinics and subdivisions for maternal and child health, family planning, environmental health, sexually transmitted infections, HIV and tuberculosis, mental health and substance abuse. The Department administers 33 activity centres and 16 federal programmes under the auspices of the Office of the Commissioner and the divisions dealing with fiscal affairs, support services, public health services and health promotion, and statistics.

41. The life expectancy of the Territory's total population is about 82 years for women and 76 for men. As previously reported, about 50 per cent of all United States Virgin Islands residents are without health insurance. In his 2011 State of the Territory address, the Governor noted that the federal health-care reform had provided positive opportunities for the Territory. With $300 million in additional federal funding over the reform period, the United States Virgin Islands would have

the historic opportunity to reduce its uninsured population from 28 per cent to a far lower number and to extend coverage to all pregnant women and children living under the poverty level. These reforms would enable the Territory to restructure its health-care delivery system so that the emergency room was not the primary point of access for the uninsured seeking primary care. Unlike in the United States, Medicaid (the federal- and state-funded health-care programme for low-income individuals and families) is not an entitlement programme in the Territory, which means that federal funding is "capped".

42. In accordance with the United States HIV/AIDS Treatment Extension Act signed in 2009, the Territory continued to receive important support for related programmes. In 2010, an outbreak of dengue fever was reported in the districts of St. Thomas and St. John, with 85 suspected or confirmed cases.

D. Crime and crime prevention

43. In his 2011 State of the Territory address, the Governor said that, with a view to curtailing the violent crime that continued to plague the community, the United States Virgin Islands would make sure that police officers were visible, accessible and responsive. The territorial Government would aim to educate parents and children about criminal activity and gang influences and prosecute to the fullest those who did wrong. A significant number of homicides and murders were committed in the Territory by those younger than 24 years old who were at one time or another under observation by the Territory's juvenile justice system or law enforcement. In that connection, the importance of ensuring that young people were trained for the jobs that drove the economy, such as technology, including broadband technology, and health care, was stressed.

44. As regards the area of law enforcement, the Governor underlined the need to continue to develop and strengthen the police force by recruiting new officers and broadening their professional training. The territorial Government made a number of changes of personnel in the Department of Justice in order to improve performance by its Assistant Attorneys General. The Territory's clearance rate in homicide cases was now over 65 per cent, above the national average, and it was continuing to improve.

VI. Environmental protection and disaster preparedness

45. In 2010, the territorial Government continued to implement an energy bill passed by the Legislature in 2009. The bill provides for raising awareness about the use of renewable energy alternatives in both the public and private sectors. In 2010, the United States Virgin Islands received nearly half a million dollars in federal funds to help preserve coral reefs near the island of St. Croix, which, like coral reefs across the Caribbean and elsewhere, face a growing threat of extinction from rising ocean temperatures. The $473,000 in funds were issued by the National Oceanic and Atmospheric Administration of the United States of America.

46. In the area of emergency preparedness, the Territory has continued to enhance its operations with the opening of the new headquarters of the Virgin Islands Territorial Emergency Management Agency. The consolidation of emergency call

centre operations at two districts has enhanced organizational efficiency by improving responsiveness to residents at their most critical time of need.

VII. Relations with international organizations and partners

47. The United States Virgin Islands is an associate member of the Economic Commission for Latin America and the Caribbean. The Territory has observer status with the Alliance of Small Island States, which serves as a platform to promote action on environmental issues, including climate change. According to information provided by the administering Power, the United States Virgin Islands received acceptance as territorial Government with observer status at the Organization of Eastern Caribbean States in the last quarter of 2009.

VIII. Future status of the Territory

A. Position of the territorial Government

48. Developments regarding discussions on the future status of the United States Virgin Islands are reflected in section II above.

B. Position of the administering Power

49. In a letter dated 2 November 2006 addressed to the American Samoa Delegate to the United States Congress, the Assistant Secretary of State for Legislative Affairs elaborated on the position of the United States Government on the status of American Samoa and other United States Insular Areas, which was considered equally valid for 2010. In his letter, as previously reported, the Assistant Secretary indicated that the status of the Insular Areas regarding their political relations with the federal Government was an internal United States issue, and not one that came under the purview of the Special Committee of 24. The letter also noted that the Special Committee of 24 had no authority to alter in any way the relationship between the United States and those Territories and no mandate to engage the United States in negotiations on their status. In the letter it was stated that, at the same time, in accordance with its obligations under the Charter of the United Nations to provide regularly to the United Nations statistical and other information of a technical nature relating to economic, social and educational conditions, the federal Government did submit annual updates on United States Territories to the Special Committee of 24 as a demonstration of United States cooperation as an administering Power and as a corrective to any errors in information that the Special Committee of 24 might have received from other sources.

C. Action taken by the General Assembly

50. On 10 December 2010, the General Assembly adopted, without a vote, resolutions 65/115 A and B, based on the report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples for 2010 (A/65/23), which was

transmitted to the Assembly and subsequently considered by the Fourth Committee. Section XI of resolution 65/115 B concerns the United States Virgin Islands. Under that section's operative paragraphs, the General Assembly:

1. *Welcomes* the proposal of a draft constitution emanating from the Territory in 2009, as a result of the work of the United States Virgin Islands fifth Constitutional Convention, for review by the administering Power, and requests the administering Power to assist the territorial Government in achieving its political, economic and social goals, in particular the successful conclusion of the ongoing internal Constitutional Convention exercise;

2. *Requests* the administering Power to facilitate the process for approval of the proposed territorial constitution in the United States Congress and its implementation once agreed upon in the Territory;

3. *Also requests* the administering Power to assist the Territory by facilitating its work concerning a public education programme, consistent with Article 73 *b* of the Charter of the United Nations, and, in this regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

4. *Reiterates its call* for the inclusion of the Territory in regional programmes of the United Nations Development Programme, consistent with the participation of other Non-Self-Governing Territories.

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General Assembly

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Turks and Caicos Islands

Working paper prepared by the Secretariat

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I. General

1. The Turks and Caicos Islands is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The basis of the current relationship between the United Kingdom Government and its Non-Self-Governing Territories is enshrined in the constitution of each Territory. The British Overseas Territories Act 2002 grants the right of British citizenship to "British Overseas Territory citizens".

2. The Territory, comprising 40 islands and cays, lies 145 kilometres north of Haiti and the Dominican Republic and 925 kilometres south-east of Miami, United States of America. Six islands are permanently inhabited: Grand Turk, where the administrative capital, Cockburn Town, is located; Providenciales, the business and tourist centre with the great majority of the population; North, Middle and South Caicos; and Salt Cay. The area of the Territory is 948.2 square kilometres.

3. In 2010, the population was estimated to be approximately 32,000, comprising nearly 9,700 citizens or "belongers" and a large majority of "non-belongers" hailing from a variety of countries in the region, North America and Europe.[1]

4. The United States dollar is the currency of the Turks and Caicos Islands and the United States is the most important trading partner.

5. The Turks and Caicos Islands were discovered by Spain in 1512. From 1874 to 1959, they were governed by the United Kingdom of Great Britain and Northern Ireland as a dependency of Jamaica. They became a separate colony of the United Kingdom in 1962, under the control of the Bahamas.

6. When the Bahamas achieved independence in 1973, the Turks and Caicos Islands were placed under a British Governor stationed in Grand Turk.

II. Constitutional, legal and political issues

7. Under the 2006 Constitution, which was negotiated between the Territory and the United Kingdom Government, the Turks and Caicos Islands operated until 14 August 2009 on the basis of a ministerial system of Government, with a Governor in the Territory appointed by the administering Power. More detailed information on related developments is contained in previous working papers.

8. Under the 2006 Constitution, the Governor is responsible for external affairs, defence, internal security, including the police force, and some public service matters, including the regulation of international financial services, and consults with a Cabinet as necessary. Other portfolios are administered by the various cabinet ministers. The Governor acts on the advice of the Cabinet on these matters unless otherwise instructed by the Secretary of State on behalf of the administering Power.

Note: The information contained in the present paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Further details are contained in previous working papers posted on the United Nations website www.un.org/Depts/dpi/decolonization/docs.

[1] Information provided by the administering Power, 11 January 2011; the Economist Intelligence Unit, Turks and Caicos Report, January 2011.

An Advisory National Security Council, chaired by the Governor, makes recommendations to the Cabinet on national security issues. The 2006 Constitution created the position of Deputy Governor, who must be a belonger, and who is appointed by the Governor. The current Governor, Gordon Wetherell, was sworn into office on 5 August 2008.

9. The Cabinet for the Territory consists of the Governor; a Premier appointed by the Governor; six other ministers appointed by the Governor from among the elected or appointed members of the House of Assembly, one of whom may be appointed by the Governor, on the advice of the Premier, as Deputy Premier; and the Attorney General, with the executive authority of the Turks and Caicos Islands vested in the British crown. The Attorney General is both legal adviser to the Government and head of public prosecutions.

10. The legislature for the Turks and Caicos Islands consists of the British crown and a House of Assembly, comprising a Speaker, 15 elected members, 4 appointed members and the Attorney General.

11. The legal system of the Territory is based on English common law and includes magistrates courts, the Supreme Court and the Court of Appeal, with ultimate recourse to the Privy Council. On the advice of the Judicial Service Commission, the Governor appoints judges and magistrates.

12. There are two main political parties in the Territory: the People's Democratic Movement (PDM) and the Progressive National Party (PNP), formed in 1975 and 1980, respectively. The most recent general election was held on 9 February 2007, with a voter turnout of 85 per cent. The ruling PNP, under Premier Misick, won 13 seats, against 2 won by the PDM. The next general election was due by July 2011. However, in September 2010, the administering Power announced the postponement of the elections not "any longer than necessary", even if, in its view, elections could not be held in 2011. Additional information on this can be found below.

13. In the light of the accumulation of evidence in relation to the Turks and Caicos Islands and fortified by the findings of a Commission of Inquiry, in August 2009 the Governor suspended parts of the 2006 Constitution, removing the Cabinet, the House of Assembly and references to ministerial and related powers and suspending the right to trial by jury (see A/AC.109/2010/10).

14. Certain elements of the Constitution were left in place, such as the chapter on fundamental rights and provisions relating to the Governor, the courts and the public service. Powers and functions formerly exercised by the Premier and ministers are exercised by the Governor at his discretion, including those related to public finances, legislation and necessary regulatory reform. In practice, the Governor works under an interim constitutional arrangement with an Advisory Council to formulate policy and a Consultative Forum to allow the people's voice to be heard. Each is appointed by the Governor. This arrangement is sometimes referred to as "interim Government" or "direct rule" of the Territory.

15. The United Kingdom has appointed a Constitutional and Electoral Reform Adviser to review the 2006 Constitution in the light of the findings of the 2009 Commission of Inquiry and to make recommendations for change. The Adviser held public meetings in the Territory during 2010 and published various reports setting out possible areas for change. The United Kingdom Government is expected to consider the final recommendations of the Adviser in the course of 2011.

16. According to media and other public reports, during 2010 it was the widespread opinion in the Territory that any changes to the 2006 Constitution should have only been undertaken following the widest possible consultation with the people of the Turks and Caicos and only after the expressed will of the people of the Territory had been properly ascertained. In the course of 2010, many early supporters of direct rule became disillusioned.

17. In June and October 2010, Turks and Caicos petitioners from an All-Party Commission on the Constitution and Electoral Reform, formed by the Territory's two parties, and from the Turks and Caicos Forum, a small civil society group, addressed the Special Committee on Decolonization and the Special Political and Decolonization Committee (Fourth Committee) and provided an update on developments in the Territory. The petitioners, inter alia, indicated that, while most people in the Territory felt that the interventions of the interim Government were necessary, they feared that the continuing lack of monitoring and accountability of its actions, and that of the administering Power, would be detrimental to the Territory.

18. Meanwhile, on 21 September 2010, the British Government announced that the elections due by July 2011 were being called off with the support of both the Territory's Advisory Council and the Consultative Forum. Negative reactions to the announcement sparked protests and demonstrations by a number of islanders. According to the Economist Intelligence Unit's Turks and Caicos Report of January 2011, towards the end of 2010, there was a sense of disenfranchisement rising among the local population with low and declining support for the interim Government. This prompted concerns that stability could be threatened if the United Kingdom delayed an election indefinitely. Both of the main political parties reacted negatively to the announcement that elections would be postponed.

19. For its part, on 9 December 2010, the United Kingdom Government issued a statement setting out the milestones that would need to be reached in order for it to set a date for elections; it hoped that the milestones would be reached in time for elections to be held in 2012. The Government's Foreign and Commonwealth Office and the Department for International Development jointly assessed these milestones to be, inter alia, a new constitution for the Territory; new ordinances, including those making provision for: (a) the electoral process and regulation of political parties; (b) integrity and accountability in public life; (c) public financial management; a fiscal surplus in the financial year ending March 2013; and substantial progress in the reform of the public service. The United Kingdom Government would have to be satisfied that the necessary reforms had been put in place to address the issues raised by the Commission of Inquiry, to prevent such maladministration being repeated, and to engender the confidence of the international community. It was the administering Power's considered view that the milestones were the minimum preconditions for the Territory's return to elected government.

III. Budget

20. According to the administering Power, in recent years, the Turks and Caicos Islands had suffered a number of severe shocks, including a slump in its primary revenue generator (the tourist trade and associated property investment) caused by the global financial crisis; a hurricane in 2008; and reports of corruption within the territorial Government. The Territory was left with a serious imbalance in its

revenue and expenditure and, as a consequence, a significant budget deficit in 2008/09 and 2009/10, which was forecast to recur in 2010/11 and again in 2011/12. Since August 2009 it had become apparent that there had been a breakdown in expenditure controls between 2006 and 2008, and that the high level of debt servicing constituted a considerable obstacle to the Territory's ability to return its budget to surplus. Public sector spending had been reduced by around 30 per cent in 2009/10 from the previous year in an attempt to limit the deficit.

21. In April 2010, the territorial Ministry of Finance presented the 2010/11 budget to the Consultative Forum, comprising approximately $182 million for recurrent expenditure and approximately $30 million for capital expenditure. With United Kingdom Government financial support announced in early 2011 for a period of two years, further steps are planned to reduce expenditure and raise revenue in order to achieve a budget surplus by 2013.

22. According to the administering Power, the territorial Government levies no taxes on corporate or personal income, capital gains or inheritance, and there is no sales tax in the Turks and Caicos Islands. Direct taxation of financial services continued to be under consideration during 2010/11, with a view to avoid undermining the Territory's international competitiveness in that sector, as property taxes and value-added taxes on the purchase of goods and services were generally unpopular. For the same period, an increase in import duty and tariffs, accommodation tax, stamp duty on land transaction, telecommunications taxes and fees, as well as work permit, residency and financial sector fees was anticipated.

IV. Economic conditions

A. General

23. Since the 1980s, the main sectors of the economy have been upmarket tourism, offshore financial and business services, fishing, property development and real estate. Foreign investors, mainly from Canada, the United Kingdom and the United States, have played a significant role in the economic life of the Territory. Economic activity is concentrated on the most populous islands of Providenciales and Grand Turk. By 2009 the main sectors of the economy were tourism and financial intermediation. Apart from the production of handicrafts for the tourism trade, there was no significant industrial activity on the Islands. According to the Territory's 2010/11 budget statement, the gross domestic product (GDP) of the Turks and Caicos Islands was about $480 million.

24. The economic decline began in 2009, with 5 per cent of GDP reaching levels of the early 2000s. For instance, while the economy shrunk, the cost of electrical power increased by well over 60 per cent in less than six years.

25. Since most of the Islands' requirements for capital and consumer goods, including all fuels, are met through imports, there is a vast structural trade deficit, which is largely financed by earnings from tourism and offshore finance.

26. Meanwhile a 2010/11 fiscal stabilization plan provides stimuli to the private sector, with the help of the Territory's various development partners, such as the United Kingdom, the European Commission and the Caribbean Development Bank.

B. Tourism

27. More than a decade of strong tourism growth was followed, starting in 2008 by a drop in tourism figures, including the stalled or failed development of high-end resorts. Approximately 84 per cent of tourist arrivals continue to be accommodated at resorts on Providenciales.

28. According to media reports, despite the international recession and some unfavourable publicity in recent years, the Turks and Caicos Islands remain a popular tourist destination. Tourist Board arrival statistics showed that combined long stay and cruise arrivals for 2009 had increased by 12.5 per cent over 2008, and the number of cruise passengers had increased by 21 per cent over 2008, to 513,928.

29. The same trend was maintained during 2010. According to the Hotel and Tourism Association, hotel occupancy in 2010 averaged approximately 60 per cent, constituting an increase of 11 per cent over the previous year.

30. In 2010, the Governor's Tourism Working Group published recommendations relating to the promotion of the Turks and Caicos Islands as a tourist destination, taking into account the respective roles of the private and public sectors as well as of marketing and financing tourism.

C. Financial services

31. Financial services, including company registration, trust business and insurance, are the second largest source of external revenue after tourism and the third largest employer in the Turks and Caicos Islands. The financial services sector is centred on yacht and jet registries, including their financing and insurance, plus United States auto industry reinsurance. According to the administering Power, constitutional responsibility for the international regulation of the Territory's offshore finance sector continues to rest with the Governor.

32. Further, the approach of the interim Government continues to be to work with international and regional technical assistance providers, such as the International Monetary Fund, the Caribbean Financial Action Task Force and with in-territory agencies to enhance their own systems to detect, investigate and prosecute money-laundering and other suspected abuses.

33. There are three international commercial banks in the Territory, namely, the First Caribbean Bank, Scotiabank and Royal Bank (all Canadian). Despite various efforts to prevent its full liquidation, the local TCI Bank Ltd. went out of business in 2010 due to commercial failure, with the attendant negative impact on approximately 4,000 depositors and the community. Further information on this matter can be found in section V below.

D. Agriculture and fisheries

34. Agricultural production is limited by the lack of freshwater and consists mainly of the growing of vegetables and citrus fruits on the Caicos Islands. Around 20 per cent of the Territory's working population is involved in agriculture and fishing.

35. Fishing is the Territory's main productive primary sector. Lobster, conch and other marine creatures make up the largest component of exports. Agriculture and fishing contributed approximately 1 per cent of the Territory's GDP.

36. According to the Territory's 2010/11 budget statement, the territorial Government's farm on North Caicos continues to receive capital expenditure support to scale up production and provide equipment for joint use by the Government and the Turks and Caicos Farm Association. At the same time, the territorial Government contributes to a loan fund to help secure land for long-term agricultural use.

E. Communications and construction

37. Transport and communications facilities are of fairly good quality. The road network covers about 120 kilometres, with 24 kilometres of paved roads on Grand Turk, Providenciales and the Caicos Islands.

38. The Turks and Caicos Islands has three international airports: the main one on Providenciales, and much smaller ones on Grand Turk and South Caicos. There are also landing strips on Salt Cay, Pine Cay, Parrot Cay, Middle Caicos and North Caicos. Flights are available to a number of United States cities, as well as London and Toronto. Air Turks and Caicos operates regional services to the Bahamas, the Dominican Republic, Haiti and Jamaica. In 2010, the Turks and Caicos Islands Airport Authority repossessed the Providenciales International Airport from the previous private owner and secured a loan for the expansion of its runway, the only major construction project in the Territory initiated in 2010.

39. The main commercial port, South Dock, is situated in Providenciales. Grand Turk has a commercial port, and North Caicos a deep-water port.

40. In recent years, the territorial Government has invested heavily in infrastructure projects, such as roads, ports and airports. However, there has been a significant decline in construction activity since 2007, when this sector was buoyed by work on tourism projects and property development. In 2010, four of the Territory's largest development projects were put on hold as part of the process of civil recovery investigations. International construction companies are based in the Turks and Caicos Islands, which locally quarry sand and rock.

41. Three telecommunications companies provide domestic and international telephone services in the Territory. There are a handful of cable television channels on Grand Turk, over two dozen channels on Providenciales, and six radio stations. There are no daily newspapers. A number of weekly papers also maintain a web presence.

V. Social conditions

A. General

42. The Government of the Turks and Caicos Islands has over the years acknowledged the need to address considerable imbalances among the various islands and social groups. One measure taken was the launch in 2005 of a 10-year national development plan that provides a long-term vision for the Territory's development and a strategic framework for Government and private sector activities.

43. The Turks and Caicos Islands National Insurance Board, a statutory body of the territorial Government based on mandatory enrolment, was established under the National Insurance Ordinance No. 10 of 1991, which came into effect on 6 April 1992. The National Insurance is the sole provider of social insurance benefits to persons who are gainfully employed within the Turks and Caicos Islands between the ages of 16 and 65 years. With the liquidation of the TCI Bank Ltd. in 2010, over 20 per cent of the National Insurance Board's $100 million trust fund, or about $22.5 million, were considered at risk, an issue that was being addressed by the interim Government.

44. In 2008, the Human Rights Commission Ordinance established the Human Rights Commission to help the Territory to conform with international standards concerning various human rights obligations. During 2010-2011, various efforts made by the Commission to advance respect for human rights in the Territory continued, including training designed to address the needs of particular government departments and civil society. The right of individual petition to the European Court of Human Rights was extended to the Turks and Caicos Islands.

B. Immigration and labour

45. The Territory's main employer is the Government, which employs nearly one third of the working population. According to the administering Power, approximately 70 per cent of the workforce is employed in the service sector.

46. Unemployment, especially in the volatile construction and tourism sectors, rose in 2010, owing largely to the effects of the global economic crisis. Rates within the Islands vary widely. According to media reports, there was a marked out-migration from the Territory, due to a lack of economic opportunities.

47. According to the administering Power, temporary migrant workers, mainly from Haiti and the Dominican Republic, form a major part of the labour force in tourism and construction. Haitians remain the second largest group of employees after Turks and Caicos islanders. Inter-island migration by people in search of work is common. Social problems, such as overcrowding, housing shortages, the lack of running water and an increase in the number of female-headed households, continue to affect many migrant workers. In 2010, concerns about the treatment of migrant workers persisted, but with the reduction in large construction projects, large makeshift camps were no longer present.

48. Further, the interim Government worked in 2010 with the International Organization for Migration, which commissioned research about the Haitian population in the Islands, before considering a range of policy options. The United Kingdom appointed an immigration expert to advise the interim Government on reforms across the immigration system.

C. Education

49. Education in the Territory is free and compulsory for children from 5 to 16 years of age. According to the administering Power, there are 39 schools on the Islands, with a total enrolment of approximately 5,200, covering from preschool up to tertiary education. Of these, 14 are Government-run, 10 are primary schools

and 4 are high schools. Although there are more private than public schools, more students are enrolled at public schools than at private ones. The adult literacy rate is estimated at 98 per cent. The rate among immigrants is much lower.

50. As to higher education, there is a community college with branches on Grand Turk and Providenciales that provides two-year courses, mostly in vocational subjects. Citizens from the Overseas Territories benefit from the home student fee rate at English universities.

D. Health care

51. In 2010, health care was extended to all legal residents of the Turks and Caicos Islands, and not solely to belongers, as was previously the case. According to the administering Power, the introduction of modern secondary health care at the two public medical centres and tele-medicine links to the island clinics enabled the implementation of a National Health Insurance Plan in April 2010. Contributions are mandatory for employers and employees and there were around 25,000 contributors and 6,500 registered dependants. The Plan provides health care for 5 per cent of wages or earnings, split evenly between an employer and employee.

52. The public hospital network comprises a main facility, the Grand Turk Hospital, and the Myrtle Rigby Health Clinic, located on Providenciales. There are nine community health clinics on six islands: a 30-bed health complex on Grand Turk, a Government clinic on Providenciales, two clinics on Middle Caicos and two on North Caicos, a clinic on South Caicos and one on Salt Cay. According to the 2010/11 budget statement, approximately $44 million are allocated to the Ministry of Health, some of which is in conjunction with the new National Health Insurance Plan.

53. Two new hospitals were completed in 2010, one on Grand Turk (10 beds) and the other on Providenciales (20 beds) under a public-private partnership project. The two facilities, which opened in April 2010, will be operated for 25 years by Interhealth Canada (an international hospital management company, jointly owned by private and public-sector organizations) before being transferred to the territorial Government.

E. Crime and public safety

54. According to the administering Power, the overall crime rate in the Turks and Caicos Islands is no longer considered low. In 2010, an increase in more serious robberies was reported. The level of crime on Providenciales, the first point of arrival into the Territory and the Territory's economic hub, is higher than on the other islands, where incidences of serious crime were rare.

55. In 2010, following approval by the Consultative Forum, legislation was amended to provide the courts with tougher measures with which to tackle violent and gun-related crime. According to media reports, in the course of 2010, policing in Providenciales featured intensified patrols and the use of roadblocks, raids and generally heavier arms. The same year, a new courthouse was opened there.

56. According to the Territory's 2010/11 budget statement, an amount of $7.5 million was set aside to meet the cost of servicing a Special Investigation and Prosecution Team, while $2.5 million was budgeted to meet the cost of civil

recovery. In addition, funds for the Royal Turks and Caicos Islands Police Force were increased by $4 million to a total of $18 million to finance capacity-building in community policing and crime detection.

57. The Special Investigation and Prosecution Team prosecutor appointed by the administering Power indicated late in 2010 that she had assembled a 30-strong team investigating alleged Government corruption, despite initial delays caused by a lack of funds and locally available expertise, such as police officers and attorneys, involving jurisdictions across the globe. For his part, the Governor indicated that a thorough investigation of over a dozen serious cases of potential corruption and other criminal misconduct was well advanced, and that first charges emanating from the probe were due to be laid in 2011.

58. With regard to civil recovery, the administering Power's team advanced their inquiries, including a probe into a 2008 crown land deal that involved two entire blocks in the north-west end of Middle Caicos.

59. With regard to illegal immigration, the territorial Government had announced in 2008 that a new coastal radar surveillance system would cover a wide area of the Territory and was to be used in the detection, interception and prevention of illegal or criminal activity. According to the administering Power, work on the installation of the Radar Station has been significantly delayed as a result of the Territory's financial crisis, but was scheduled to be completed in 2011.

VI. Environment

60. The Turks and Caicos Islands has an important environmental legacy to protect. Its wetlands are renowned, and the Islands' coral reefs, tidal flats, mangroves and marshlands provide a home for many unique wildlife, plants, reptiles, invertebrates and birds. In 2010, according to the administering Power, the developers of the Leeward Marina project in the Turks and Caicos Islands received an injunction from the Supreme Court for their refusal to suspend work on the project pending a judicial review and were threatened with fines, seizure of their assets and imprisonment. Environmentalists claim that the ongoing dredging was having devastating effects on the coral reefs.

61. Generally, the East Caicos, Middle Caicos and North Caicos wetland complex is considered the most natural among the 125 wetlands of international importance listed by the United Kingdom Government under the Ramsar Convention on Wetlands. At the same time, the wetlands on Providenciales have suffered severe environmental degradation as a result of rapid development for real estate and tourism, although some remain through the protected area and national parks system.

62. According to the United Kingdom Overseas Territories Conservation Forum, environmental work in the Turks and Caicos Islands came under considerable strain during 2009/10. Nevertheless, important conservation and related work continued. For instance, management of a project to secure long-term recovery of the native pine (and National Tree) *Pinus caribea var. bahamensis*, severely blighted by a non-native scale insect, was taken over by the Territory's Department of Environment and Coastal Resources. In relation to environmental education, an Overseas Territories Environment Programme project for curriculum development, which focused on freshwater resources, was started in 2010.

VII. Relations with international organizations and partners

63. In March 2006, the Turks and Caicos Islands was granted associate membership in the Economic Commission for Latin America and the Caribbean. The Territory was admitted as an associate member of the Commission's Caribbean Development and Cooperation Committee in early 2008.

64. The Turks and Caicos Islands is an associate member of the Caribbean Community (CARICOM) and of the Association of Caribbean States. The Territory is a member of the Caribbean Development Bank and the International Criminal Police Organization. According to the administering Power, closer links are being sought with the Organization of Eastern Caribbean States and with the neighbouring Bahamas. In September 2010, CARICOM noted with great concern the decision of the British Government to postpone indefinitely general elections in the Turks and Caicos Islands, and the delay in the return to constitutional government.

65. Along with 17 Caribbean nations, the Turks and Caicos Islands forms part of a World Bank catastrophe insurance pool established to assist the Islands in the event of natural disasters.

66. The arrangements with the European Union for association are not applied to the Turks and Caicos Islands, in accordance with the wishes of the territorial Government.

VIII. Future status of the Territory

A. Position of the territorial Government

67. Information on political and constitutional developments regarding the Turks and Caicos Islands is contained in section II, above.

B. Position of the administering Power

68. Information on the general position of the United Kingdom was included in annex I to the August 2010 report of the Secretary-General entitled "Second International Decade for the Eradication of Colonialism" (A/65/330). On 4 October 2010, the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-fifth session of the General Assembly.

69. According to the record of the Fourth Committee meeting (A/C.4/65/SR.2), the representative of the United Kingdom, inter alia, reiterated the British Government's established position that its relationship with its Overseas Territories was a modern one based on partnership, shared values and the right of each Territory to determine whether it wished to stay linked to the United Kingdom or not. Although the situation in each Territory was different and some Territories were at a more advanced stage of development than others, the United Kingdom would continue to work with all the Territories, as appropriate, in areas such as good governance, political and economic development and transparency, enhanced security and reduced vulnerability to natural and non-natural disasters.

70. The speaker went on to say that the relationship between an Overseas Territory and the United Kingdom was enshrined in the constitution of each Territory. A recent constitutional review process with a number of the Territories had resulted in updated provisions of existing constitutions, such as human rights provisions, and those relating to good governance and the respective roles of the Governor and locally elected politicians.

71. Further, good governance had been the central theme in all constitutional talks with the Territories. The British Government had no wish to micromanage its relationship with its Overseas Territories and was committed to allowing each Territory to run its own affairs to the greatest degree possible, but that brought with it responsibilities on the part of each Territory. Where the United Kingdom felt that a Territory was failing to fulfil the international obligations which extended to it or developments in a Territory gave rise to other concerns, the British Government would not hesitate to raise it with the Territory's Government and to intervene where necessary. The Government had done so in 2009 when it had suspended the legislature and Government of the Turks and Caicos Islands, after a Commission of Inquiry had found serious systemic corruption and entrenched financial mismanagement.

C. Action by the General Assembly

72. On 10 December 2010, the General Assembly adopted without a vote resolutions 65/115 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/65/23 and Corr.1) and its subsequent consideration by the Fourth Committee. Section X of resolution 65/115 B concerns the Turks and Caicos Islands. In that section's operative paragraphs, the General Assembly:

> "1. *Notes with concern* the ongoing situation in the Turks and Caicos Islands, and also notes the efforts of the administering Power to restore good governance and sound financial management in the Territory;
>
> "2. *Calls for* the restoration of constitutional arrangements providing for representative democracy through elected territorial Government as soon as possible;
>
> "3. *Notes* the positions and repeated calls of the Caribbean Community and the Movement of Non-Aligned Countries for the restoration of democratically elected territorial Government as a matter of urgency and notes also the view expressed by the administering Power not to postpone elections any longer than necessary;
>
> "4. *Also notes* the extensive public consultations undertaken by the Constitutional and Electoral Reform Adviser and the continued debate on constitutional and electoral reform within the Territory, and stresses the importance of participation by all groups and interested parties in the consultation process;
>
> "5. *Stresses further* the importance of having in place in the Territory a Constitution that reflects the aspirations and wishes of the people of the Territory, based on the mechanisms for popular consultation;
>
> "6. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with

Article 73 *b* of the Charter of the United Nations, and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

"7. *Welcomes* the continuing efforts made by the Government addressing the need for attention to be paid to the enhancement of socio-economic development across the Territory."

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Montserrat

Working paper prepared by the Secretariat

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I. General

1. Montserrat is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The basis of the current relationship between the Government of the United Kingdom and its Non-Self-Governing Territories is enshrined in the constitution of each Territory. The British Overseas Territories Act 2002 grants the right of British citizenship to "British Overseas Territory citizens".

2. The Territory is situated in the Leeward Islands in the eastern Caribbean, 43 kilometres south-west of Antigua and 64 kilometres north-west of Guadeloupe. The island of Montserrat is volcanic and very mountainous, covering an area of 103 square kilometres, with a rugged coastline. There are three mountain ranges: Silver Hills in the north, Centre Hills and the Soufrière Hills in the south. There are hot springs, ravines, black sand beaches and a white sand beach in the north. The vegetation is tropical.

3. In July 1995, the Soufrière Hills volcano, dormant for more than 400 years, erupted with devastating effects, causing the evacuation and relocation of about 70 per cent of the population from the southern part of the island to the north. The effects of that eruption and subsequent lighter volcanic activity are still being strongly felt. Montserrat's capital, Plymouth, was abandoned in 1997 after volcanic activity rendered it uninhabitable. A new urban centre is being developed at Little Bay in the north.

4. The population of the Territory, which reached a peak of 14,333 in 1946, fell after the devastating 1995 volcanic eruption. An estimated 8,000 people left the island, some of whom have returned. According to the administering Power, in 2010 the population of the island remained constant at approximately 4,886 (3,295 Montserratians and 1,591 non-Montserratians) compared to 10,639 in 1991 and 11,606 in 1980.[1]

5. The currency of Montserrat is the Eastern Caribbean dollar, which is aligned with the United States dollar at approximately EC$ 2.70 to US$ 1. Major trading partners are the United States of America, the United Kingdom, Japan and Trinidad and Tobago.

6. The Territory, locally known as Alliouagana, or "land of the prickly bush", was named after a Spanish monastery by Christopher Columbus in 1493. In 1632, the island became a British colony. Its first settlers were largely Irish. Slaves, who worked the cotton and sugar plantations, led unsuccessful uprisings in the late 1700s. Slavery was abolished in 1834. Meanwhile, after two brief occupations by France, British rule resumed in 1783 and Montserrat became a British Crown colony in 1871. From 1871 to 1958, Montserrat was administered as part of the Federal Colony of the Leeward Islands, and from 1958 to 1962, it formed part of the

Note: The information contained in the present working paper was derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations. Further details are contained in previous working papers posted on the United Nations website www.un.org/Depts/dpi/decolonization/docs.htm.

[1] Information provided by the administering Power on 14 January 2011.

Federation of the West Indies. Following the dissolution of the Federation in 1962, Montserrat elected to retain its status as a Crown colony.

II. Constitutional, political and legal issues

7. Under the Montserrat Constitution Order 1989, which came into force in 1990, Montserrat has a Governor appointed by the British Crown, an Executive Council and a Legislative Council.

8. The current Governor of Montserrat, Peter Waterworth, took office in July 2007 and, upon his retirement in April 2011, is expected to be succeeded by Adrian Derek Davis. The Governor has responsibility for internal security (including police), external affairs, defence, public service and offshore finance. Under the Constitution, the British Crown reserves the power, with the advice of the Privy Council, to make laws for the peace, order and good government of Montserrat.

9. The Executive Council comprises four Ministers, as well as the Attorney General and a Financial Secretary. It is presided over by the Governor and has responsibility for the general control and direction of government.

10. The Legislative Council consists of nine members. Elections are normally held in Montserrat every five years on the basis of universal adult suffrage. As previously reported, the most recent elections to the Council were held in September 2009, after which the Movement for Change and Prosperity formed a Government headed by Chief Minister Reuben T. Meade. The other parties that contested the election, the Montserrat Labour Party and the Montserrat Reformation Party, did not win any seats; the Montserrat Democratic Party could not find enough candidates to participate in the election. According to the administering Power, 3,516 voters were registered and 2,349 votes were cast, constituting a 66.8 per cent voter turnout. The next elections are due in 2014.

11. The law of Montserrat comprises English common law and locally enacted legislation. It is administered by a Magistrates Court and the Eastern Caribbean Supreme Court. The Eastern Caribbean Supreme Court (Court of Appeal) is an itinerant court established under the West Indies Associated States Supreme Court Order No. 223 of 1967, whose sittings rotate among its nine member States, including Montserrat. Cases handled by the Supreme Court have recourse of final appeal to the Judicial Committee of the United Kingdom Privy Council. A Commercial Court, opened in 2009 in the British Virgin Islands, serves the Eastern Caribbean jurisdictions, including Montserrat.

12. Efforts to modernize the Territory's Constitution go back to 2002 when a Constitutional Review Commission was set up, which subsequently prepared a report that was debated in the Legislative Council in 2005. Talks between the territorial Government and the United Kingdom ensued and resulted in 2010 in the drafting of a constitution order for public consultation, which took place from May to September 2010.

13. In October 2010, the Legislative Council approved the draft constitution for consideration by the Privy Council, which in turn approved the draft the same month. At the same time, according to media reports, the Territory's Leader of the Opposition alleged that the new territorial Government had rushed constitutional changes through the Legislative Council without adequate public consultation.

According to the administering Power, on 20 October 2010 the new Constitution was laid before the United Kingdom Parliament and approved. The Government of Montserrat is working to update the relevant parts of its legislation so that the Constitution can come into force sometime in 2011.

14. The new Constitution, the text of which was made public in a variety of ways, including on the Internet, would enhance the relationship with the United Kingdom and spell out the fundamental rights and freedoms of the people of Montserrat. Other modifications reflected in the new Constitution include the change of the post of Chief Minister to Premier and the establishment of a national advisory committee to advise the Governor on matters of defence, external affairs, internal security and the use of reserved powers. The Committee would consist of the Governor, the Premier, one other Minister, the Attorney General, the Financial Secretary and the Leader of the Opposition. A number of new provisions are aimed at improving the legislature and enhancing the chapters on human rights and public service standards.

III. Budget

15. The Montserrat public sector continues to be dependent on budgetary aid from the administering Power and other sources. According to the administering Power, the budget for the period from April 2010 to March 2011 showed a figure of EC$ 98 million in recurrent expenditure and EC$ 50 million for developmental purposes. During 2010, the territorial Government continued its privatization programme, for instance with the successful outsourcing of maintenance, security and cleaning services, with similar success expected to be achieved in other areas.

16. For the period 2008-2010, the United Kingdom Department for International Development made an allocation of 58 million pounds sterling available to Montserrat to strengthen disaster management capacity, security and safety at port and airport facilities, capacity for law enforcement and prison management, environmental protection, development of the private sector and the promotion of human rights.

17. Individual residents are taxed on their worldwide income from all sources. Tax is also levied on the chargeable income paid by any incorporated company, building society or body of persons. Companies pay a 30 per cent tax on profits. At the same time, there is no capital gains tax in Montserrat. In December 2009, the Governments of the United Kingdom and Montserrat signed a tax agreement to facilitate the exchange of tax information and to avoid double taxation on income. The Government of Montserrat subsequently signed similar agreements with the Governments of Belgium and the Netherlands.

IV. Economic conditions

A. General

18. According to the territorial Government's 2010 budget statement, despite the adverse global economic climate, economic activity in Montserrat was estimated to have expanded during the first nine months of 2009. Gross domestic product (GDP) increased by 1.2 per cent compared to 3.8 per cent in the first nine months of 2008. This performance reflected expansion in most sectors, including agriculture

(32.5 per cent), construction (9.8 per cent), government services, real estate and housing, mining and quarrying, electricity and water, and banks and insurance. Economic performance declines were recorded for hotels and restaurants (25.3 per cent), wholesale and retail trade (9.2 per cent), and transport, manufacturing and communications. Figures from the Statistics Department of Montserrat show that economic growth in the Territory reached approximately 4 per cent in 2009.

19. The economy of Montserrat continued to be dominated by public sector-led investments and projects. At the same time, according to the territorial Government, any sustainable development strategy had to involve the introduction of programmes that would significantly expand the private sector. Furthermore, the contribution of government services to GDP is expected to begin to fall over the period 2010-2014 as public sector reforms are implemented and private sector development initiatives begin to take root. The economy continues to have approximately 200 private business establishments. Just over 25 per cent of business is involved in the provision of financial, professional, personal and other household services.

20. During 2010, the promotion of population growth remained on the agenda of the territorial Government, as the territorial Government continued to review population, labour and immigration policies with a view to encouraging the development of private sector ventures.

B. Agriculture

21. As a result of the ongoing volcanic crisis, the majority of fertile agricultural lands, pasture and fishing areas are either restricted or inaccessible.

22. The Montserrat Ministry of Agriculture prepared a national food production strategy in 2009 as a framework to guide the development of a policy of food import substitution that guides Government investment in the agricultural sector for years to come. The strategy places emphasis on increased production in the following areas: arable crops, fishing, poultry and livestock. The territorial Government also took steps to introduce programmes to encourage the processing of local fruits and vegetables such as mangoes, guavas and breadfruit.

C. Financial services

23. Two commercial entities, the Bank of Montserrat and the Royal Bank of Canada, as well as several offshore banks, continue to operate in Montserrat, providing a range of banking facilities. According to the administering Power, there has been no activity for the past few years in regard to the incorporation of new banks.

24. Montserrat is a member of the Eastern Caribbean Central Bank, which is based in the neighbouring island of Saint Kitts and acts as central bank for Montserrat. Among other functions, the Bank monitors the commercial banks' reserves. Montserrat is part of the Eastern Caribbean Stock Exchange and the Caribbean Financial Action Task Force, the body that monitors anti-money-laundering activities and the countering of financing for terrorism in the region.

D. Tourism

25. The redevelopment of the tourism industry continues to be a priority of the territorial Government. According to the territorial Government, as of November 2009, visitor arrivals to Montserrat were 14 per cent lower than the corresponding period for 2008. The recession experienced in the major tourist markets has also had a negative impact on Montserrat. Tourist arrivals decreased by 14 per cent, but excursionist arrivals increased by 6 per cent. The territorial Government's plans for a day-tour schedule, connecting the Territory's ferry service directly with cruise ships docking in Antigua, were expected to help push the excursionist sector upward for the benefit of taxis, tour guides and retail outlets in Montserrat.

26. Meanwhile, figures recently released by the territorial Government's Statistics Department showed very strong growth in tourism arrivals for the first half of 2010. During that period, a total of 4,863 visitors came to Montserrat (an increase of close to 22 per cent). This comprised 3,141 overnight visitors, 1,029 day-trip visitors and 693 cruise passengers.

27. In recent years, Montserrat has been trying to turn the active volcanic activity into an advantage, inter alia, by promoting tourism. The 1995 eruption of the Soufrière Hills Volcano created an accidental underwater nature park along 13 miles of coastline. As a result, sea life was given the chance to recover from human interference and the island became ideally suited to sustain dense and diverse marine life.

28. A ferry service between Antigua and Montserrat operated during the 2009 and 2010 winter seasons, the peak months for tourism arrivals. A new full-time ferry service jointly operated by the Governments of Montserrat and Antigua and Barbuda was operational during much of 2010. Scheduled and charter air services connect Montserrat with Antigua and Saint Martin.

E. Construction and housing

29. During 2009/10, construction activity increased by 9.8 per cent. The positive growth rate was fuelled by public sector construction associated with the territorial Government's reconstruction efforts. Private sector construction also increased, focusing mainly on residential and commercial buildings. The Ministry of Communication and Works allocation for 2010/11, approximately EC$ 13.2 million, was expected to play a major role in the overall infrastructure development programme of the Territory.

30. Two public sector projects, the housing development project in Lookout and the public market, a part of the Little Bay development project, were completed in 2010. According to the territorial Government, the Little Bay Town Centre provides the infrastructure to encourage further development in the area by the private sector. In order to open up more land for high-income housing and villa development, the territorial Government has allocated a further EC$ 4.5 million for infrastructure on the Davy Hill side and around Dogger Hill, behind the Territory's cultural centre.

31. Housing shortages persist for those who have lost their homes or have no access to evacuated properties in Plymouth and its environs. The territorial Government has established a programme to close volcano-related communal

shelters and temporary wooden family units by June 2011. In 2009, the construction and occupation of the Warden Supported Facility at Sweeney's, one apartment block at Lookout and three duplexes gave some 25 persons the opportunity to be rehoused in decent permanent accommodation. Further, the territorial Government decided to implement a EC$ 12 million accommodation project during 2010/11, while the "home ownership motivates everyone" programme, which was introduced in 2009, gained momentum.

F. Utilities and communication

32. The Montserrat Utilities Limited is responsible for the distribution of water and electricity throughout the inhabited portion of the Territory. The entire population has access to Montserrat's plentiful supply of good potable water and about 98 per cent of residents are linked up to the water system. The water section of the Montserrat Utilities Limited takes water from springs high in the mountains, lightly treats it and then stores and distributes it to customers through its network of pipes and reservoirs. It also has responsibility for sewage treatment in some areas, notably Lookout and Davy Hill.

33. The territorial Government continued to spearhead the development of a broadly supported national energy policy as electricity continued to be produced from inefficient containerized high-speed diesel generators. A power station project estimated to cost EC$ 21 million is being developed.

34. With regard to communications, in the context of efforts to liberalize the sector, the territorial Government has held meetings with Cable & Wireless, trading as Landline Internet Mobile Entertainment, and has had expressions of interest and proposals from other providers, including Digicel. According to the administering Power, it was understood that Digicel was ready to present proposals to provide mobile phone services to the island.

35. As previously reported, e-mail is widely used and digital subscriber lines have been introduced. A regular mail service between Montserrat and all countries is maintained. According to the territorial Government, Radio Montserrat and the Government Information Unit will be amalgamated in the Office of the Chief Minister into an autonomous agency, the Montserrat Media Corporation. The Montserrat Media Corporation is expected to spearhead the development of a virtual Montserrat programme to reach out to the Montserratians diaspora.

V. Social conditions

A. General

36. The volcanic crisis has had a profound effect on traditional social structures and support systems, with many families and communities split up and relocated to various parts of the world. Montserrat's social security programme was being reformed in order to achieve sustainability in the longer term. Anticipated changes included raising the retirement age, modifying the short- and long-term benefit accrual rates and restructuring the various benefits to reflect local circumstances.

This process continued in 2010, including through harmonization of relevant policies in the region.

37. According to the territorial Government, the estimated expenditure for statutory payments in 2009/10, including loan repayments, pensions, social security and tax refunds, was approximately EC$ 12 million. Policies and programmes for the poor and vulnerable would not be affected in a bid to rationalize public services as the Government was committed to preserving their dignity and place in society. For instance, social welfare financial assistance benefited approximately 270 households or some 310 individuals. Additionally, 94 households received rental assistance and 13 children received foster care allowances. The territorial Government's social welfare services continue to focus on the needs of the most vulnerable persons, including the elderly, the mentally challenged, the physically challenged, children and low-income households. Social welfare services in Montserrat include monthly financial assistance, rental assistance and one-time assistance for items such as food, school lunches, school supplies, utilities and essential household equipment, as well as burials. All social welfare assistance cases are "means-tested" to determine the individual's or household's financial situation and whether they qualify for assistance.

B. Labour

38. According to the administering Power, the working population of Montserrat stands at about 2,500, comprising approximately 50 per cent nationals. Montserrat maintains a positive industrial relations climate, within which every effort is made to ensure that workers, unions, employees and other stakeholders work together to achieve national development goals. Labour relations are governed by the Employment Act (revised 2002), under which the Labour Department provides mediation and conciliation services, with the Labour Tribunal settling disputes. The fifth annual Worker's Week was celebrated in Montserrat in 2010. It included workshops on occupational safety and radio discussions on investment opportunities for workers.

39. The territorial Government continued to address the shortage of skilled labour by providing relocation incentives to Montserratians and granting work permits to non-nationals. The granting of work permits is covered under the Immigration Act 2002. According to the administering Power, the territorial Government continued in 2010 to facilitate the active recruitment of skilled labour, both professional and otherwise, to meet demand.

C. Education and culture

40. The Montserrat Department of Education is responsible for the development and provision of educational and training programmes intended to enable its citizens to acquire skills that can contribute positively to the future of the Territory. Estimated expenditure on education was budgeted for 2010/11 at approximately EC$ 8 million.

41. Montserrat has educational infrastructure and services that provide full access to primary and secondary education. The Montserrat education system is broadly based on the British system. The Department of Education is structured into several

specialized organizational segments: early childhood education, primary education, secondary education, post-secondary education, special needs, teacher training and education support services. There are several Government day-care facilities and nursery schools, and one privately owned early childhood facility. According to the administering Power, two of the four primary schools are privately owned. The Government-owned Montserrat Secondary School is the only secondary school.

42. The Montserrat Community College in Salem offers sixth form programmes, nursing education and some technical skills courses. During 2010, the Community College continued to develop and strengthen its technical and vocational training programme. The University of the West Indies maintains an extramural department adjacent to the Community College. Postgraduate college students can read for a variety of long-distance degrees from the University.

43. According to the territorial Government, in 2010 Brades Primary School completed a new two-storey school building financed through the Basic Needs Trust Fund of the Caribbean Development Bank. Furthermore, the expansion work for the Lookout Primary School was in the planning process. The Ministry of Education received more than 1,000 primary school reading books from the Caribbean Centre of Excellence for Teacher Training of the University of the West Indies Institute of Education, located in Jamaica.

44. In November 2010, Montserrat held the second annual literary festival, the Alliouagana Festival of the Word, with the theme "Discovering new worlds through words", bringing together writers and readers from the Caribbean, North America, the United Kingdom and Australia.

D. Health

45. The Department of Health of Montserrat is responsible for providing primary and secondary health services, along with health-related policy advice to the territorial Government. Estimates put life expectancy in the Territory at approximately 73 years. Those suffering from asthma or other respiratory problems could be affected by airborne dust, volcanic ash and gases.

46. The estimated expenditure of the Department of Health was budgeted in 2010 at approximately EC$ 16 million to provide medical assistance on- and off-island for people in need, including foster children, covering areas such as general medical care, surgical care, diagnostic testing, eye and ear care, and medication. The territorial Government continued to offer free emergency dental services for school-age children, the elderly, pregnant women and Government staff. At the same time, the Territory continued to have difficulty in providing specialist health services mainly because of the significant cost involved. Nonetheless, the territorial Government was able to maintain a programme for a visiting ophthalmologist and a psychiatrist, and programmed a line-up of visiting specialists during 2010 in areas such as urology, gastroenterology, cardiology, obstetrics and gynaecology.

47. Montserrat has health facilities that include the 30-bed Glendon Hospital in St. Johns in the north, which is able to cover all routine health issues, X-rays and minor operations, as well as several primary care clinics. Anyone requiring specialist medical treatment may need to travel to a neighbouring island. Arrangements are in place for emergency medical evacuation to Antigua and

Guadeloupe. While there is no private dental practice on the island, public practice during the evenings and weekends is available to all.

E. Crime and public safety

48. In 2010, the territorial Government allocated approximately EC$ 9 million to fund the judiciary and internal security services (police, legal, magistracy, supreme court). Criminal offences are dealt with under the Penal Code of Montserrat, revised in 2002. Under the Parole of Prisoners Act 2004, a Parole Board reviews cases for the release of prisoners into the community on licence, and makes recommendations to the Governor in that regard.

49. With a budget allocation of approximately EC$ 6.8 million for 2010/11, the Royal Montserrat Police Force, comprising almost 80 officers, has a fully functioning police headquarters within the Government headquarters complex at Brades, as well as two substations and a marine unit. Under a five-year strategy, the Royal Montserrat Police Force places emphasis on neighbourhood and intelligence-led policing, crime reduction and prevention, and partnership in the criminal justice system.

50. According to the administering Power, concerns about the rise in youth crime and lack of discipline have remained constant in recent years and were addressed by the introduction of a territorial Government department for youth issues and the establishment of specific cross-departmental strategies. There was a decrease in crimes of acquisition in 2010, particularly burglary, showing that the efforts by the department for youth are meeting with some success. At the same time, the opportunity for forensic development was limited and dependent on expensive overseas analysis.

51. Following a bomb scare in March 2010, a committee comprising representatives from the Royal Montserrat Police Force, the Fire Department, the Human Resources Department, the Office of the Chief Minister and the Disaster Management Coordination Agency was established to look at the territorial Government's plans for evacuating and securing the headquarters in the event of a security emergency.

F. Human rights

52. Under the draft Constitution, provision is made regarding the fundamental rights and freedoms of the individual. The following international human rights instruments were extended to Montserrat: the European Convention on Human Rights; the International Covenant on Economic, Social and Cultural Rights; the International Covenant on Civil and Political Rights; the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment; the Convention on the Rights of the Child; and the International Convention on the Elimination of All Forms of Racial Discrimination. According to the administering Power, there is no discrimination on the basis of sex pursuant to articles 2 and 3 of the International Covenant on Civil and Political Rights.

53. In 2008, the territorial Government signed the United Nations Children's Fund country programme action plan 2008-2011, which seeks to promote mutual

agreement and cooperation in the fulfilment of the Convention on the Rights of the Child and the Convention on the Elimination of All Forms of Discrimination against Women. In October 2010, delegates from Montserrat attended a workshop hosted by the Government of Anguilla and attended by other delegations. During the workshop, the participants looked at ways to accelerate the process of having the Convention on the Elimination of All Forms of Discrimination against Women extended to their respective Territories. According to the administering Power, the territorial Government was also to consider the options available to meet international obligations on sexual orientation.

54. The Territory's Human Rights Committee, established by the Executive Council, helps fulfil the territorial Government's responsibilities in meeting the reporting requirements under various international conventions, monitors the implementation of the relevant conventions and advises the Government on matters related to human rights.

VI. Environment and volcanic activity

55. Following the 1995 eruption of the Soufrière Hills volcano after centuries of dormancy, in October 1996 the Territory was divided to create an exclusion zone comprising roughly the southern two thirds of the island. According to the administering Power, a large eruption in February 2010 was followed by a quiet period during the remainder of the year. The Montserrat Volcano Observatory website contains information on hazard levels and a map of the various zones.

56. In regard to other environmental issues during 2010, the Territory developed a biodiversity research protocol for the island; continued its long-term monitoring programme for flora, forest birds, reptiles and amphibians; began the development of a climate change adaptation strategy and a public education and outreach programme; and identified the distribution and extent of key invasive species to develop strategies for their management. Further, the Territory experienced damage from Hurricane Earl during the 2010 hurricane season: a number of bridges and culverts were washed away by flooding and landslides caused by 20 inches of rain falling over a 24-hour period.

57. For several years the Disaster Management Coordination Agency, funded in 2010/11 with EC$ 4.9 million, provided a comprehensive disaster preparedness and mitigation response and recovery programmes for Montserrat. In 2010, the territorial Government examined the Agency's structure and functions to make it a more streamlined, efficient and effective organization and to help integrate strategic disaster management objectives into regional development.

VII. Relations with international organizations and partners

58. Montserrat is an associate member of the Economic Commission for Latin America and the Caribbean and its subsidiary bodies. The Territory receives some support from the United Nations Development Programme.

59. Montserrat is a founding member of both the Caribbean Community and the Organization of Eastern Caribbean States and a member of the institutions associated with those organizations, including the University of the West Indies, the

Caribbean Development Bank and the Eastern Caribbean Central Bank. According to media reports, Montserrat, which is the only Non-Self-Governing Territory member of the Organization of Eastern Caribbean States, is still awaiting word from the administering Power as regards its participation in the Organization's economic union established in 2010.

60. As a Non-Self-Governing Territory of the United Kingdom, Montserrat is associated with the European Union but is not a part of it. According to information provided by the administering Power, Montserrat is considering joining the Caribbean Economic Partnership Agreement, which is a trade agreement negotiated between the Caribbean Community and the European Union.

VIII. Future status of the Territory

A. Position of the territorial Government

61. The position of the Government of Montserrat on constitutional reform is set out in section II above.

B. Position of the administering Power

62. Information on the general position of the United Kingdom was included in the report of the Secretary-General entitled "Second International Decade for the Eradication of Colonialism" (A/65/330, annex I). On 4 October 2010, the United Kingdom made a statement before the Special Political and Decolonization Committee (Fourth Committee) during the sixty-fifth session of the General Assembly.

63. According to the record of the Fourth Committee meeting (A/C.4/65/SR.2), the representative of the United Kingdom reiterated the Government's established position that its relationship with its Overseas Territories was a modern one based on partnership, shared values and the right of each Territory to determine whether it wished to stay linked to the United Kingdom or not. Although the situation in each Territory was different and some Territories were at a more advanced stage of development than others, the United Kingdom would continue to work with all the Territories, as appropriate, in areas such as good governance, political and economic development and transparency, enhanced security and reduced vulnerability to natural and non-natural disasters.

64. The speaker went on to say that the relationship between an Overseas Territory and the United Kingdom was enshrined in the constitution of each Territory. A recent constitutional review process with a number of the Territories had resulted in updated provisions of existing constitutions, such as human rights provisions, and those relating to good governance and the respective roles of the Governor and locally elected politicians.

65. Further, good governance had been the central theme in all constitutional talks with the Territories. The Government of the United Kingdom had no wish to micromanage its Overseas Territories and was committed to allowing each Territory to run its own affairs to the greatest degree possible. However, that brought with it responsibilities on the part of each Territory. Where the United Kingdom felt that a

Territory was failing to fulfil the international obligations which extended to it or developments in a Territory gave rise to other concerns, the Government of the United Kingdom would not hesitate to raise it with the Territory's Government and to intervene where necessary.

C. Action taken by the General Assembly

66. On 10 December 2010, the General Assembly adopted without a vote resolutions 65/115 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/65/23) and its subsequent consideration by the Fourth Committee. Section VII of resolution 65/115 B concerns Montserrat. Under that section's operative paragraphs, the General Assembly:

1. *Welcomes* the progress made by the territorial Government and the administering Power on concluding the negotiations to reform the Constitution of the Territory and welcomes the public consultation being undertaken;

2. *Requests* the administering Power to assist the Territory by facilitating its work concerning public outreach efforts, consistent with Article 73 *b* of the Charter of the United Nations, and, in this regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

3. *Calls upon* the administering Power, the specialized agencies and other organizations of the United Nations system, as well as regional and other organizations, to continue to provide assistance to the Territory in alleviating the consequences of the volcanic eruption.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

American Samoa

Working paper prepared by the Secretariat

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I. General

1. American Samoa is a Non-Self-Governing Territory administered by the United States of America under the Department of the Interior, which has a representative resident on the ground.[1] The Territory is located in the South Pacific, approximately 3,700 kilometres south-west of Hawaii and 4,350 kilometres north-east of Australia. It consists of seven islands, namely, Tutuila, Aunuu, Ofu, Olosega and Ta'u (known as the Manu'a Islands) and two coral atolls, Swains and Rose, as well as several lesser islands. The total land area is approximately 200 square kilometres, mostly covered by dense forest. Tutuila, the largest island, is where the capital, Pago Pago, and one of the deepest harbours of the South Pacific, are located. Tutuila Island constitutes 70 per cent of the Territory's total land area and is home to nearly 100 per cent of the population. It is believed that the Samoan archipelago was settled some 3,000 years ago by people migrating from South-East Asia. The Dutch were the first Europeans to discover these islands in 1722. Some Dutch settlers came to the islands in the early 1800s, followed by missionaries in 1830.

2. According to a federal source, in July 2010, the population of American Samoa was estimated at 66,432, with a median age of 23.4 and an estimated sex ratio of 1.02 males per female. Approximately 33 per cent of the population is under the age of 15. Urban dwellers make up about 92 per cent of the total population and the estimated net migration rate amounted to approximately -6.99 per thousand. Approximately 91,000 American Samoans live outside the Territory mostly in the states of Alaska and Hawaii and in the contiguous United States.

3. Ethnically, the population is about 90 per cent Samoan/Polynesian. Christian Congregationalist denominations represent the religion practised by 50 per cent of the people, and some 20 per cent are Roman Catholic. Most American Samoans are bilingual, speaking the native Samoan language and English.

II. Constitutional, legal and political issues

4. By the late 1800s, internal strife among the chiefs of the islands of the Samoan archipelago and struggles among the colonial Powers of Germany, the United Kingdom of Great Britain and Northern Ireland and the United States led to a period of instability. Deeds ceding these islands to the United States from the early 1900s were accepted by an Act of Congress on 20 February 1929. Pursuant to that Act, American Samoans were given the status of United States nationals. The Act provided for an American Samoan Government with all civil, judicial and military powers to be vested in a designee of the President of the United States. As the United States interest in the area had been mainly military, the Territory was placed

Note: The information contained in the present working paper has been derived from public sources, including those of the territorial Government, and from information transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations.

[1] Secretary's Order 2657 of 29 August 1951 and Secretary's Order 3009, as amended, of 3 November 1977, set forth the extent and nature of the authority of the Government of American Samoa and the manner in which the authority is to be exercised (see the Electronic Library of Interior Policies, United States Department of the Interior, http://elips.doi.gov/elips/release/3421.htm).

under the jurisdiction of the United States Navy. On 29 June 1951, Executive Order 10264 of the United States President transferred administrative responsibility for the Territory to the Department of the Interior.

5. American Samoa is an "unincorporated and unorganized" Territory under United States law. Not all provisions of the United States Constitution or of United States law apply. Residents of American Samoa are not United States citizens. They are United States nationals who can freely enter the United States and work or reside anywhere they choose. Children born in the Territory to foreign parents become citizens of either the mother's or the father's country of origin, not United States nationals. American Samoans may not vote in general elections in the United States, but are permitted to participate in presidential primaries and caucuses.

6. The Constitution of American Samoa, adopted in 1960, was revised in 1967 and subsequently amended in 1970 and 1977. Any amendments or modifications to the Constitution of American Samoa (as approved by the Secretary of the Interior) may be made only by an Act of the United States Congress. In 2008, a referendum that would have revised an aspect of the Constitution was narrowly defeated. The June-July 2010 Constitutional Convention proposed amendments or revisions to the current Constitution, including, inter alia, those related to the prohibition of further individualization of communal lands in the Territory, the establishment of an impartial jury in all criminal prosecutions, the enhancement of the Samoan language and culture in the educational system, the management and preservation of the natural resources of the Territory in accordance with local laws, and the provision for an impeachment of the Territory's leaders. However, at the November 2010 general election, the voters overwhelmingly defeated the proposed changes.

7. The Territory's Constitution provides for separate executive and legislative branches and an independent judiciary. The executive branch comprises a Governor and a Lieutenant-Governor elected for four-year terms by universal adult suffrage. All American Samoans over 18 years of age are eligible to vote. The Governor is responsible for executing both American Samoan and United States laws and has veto power with respect to legislation passed by the "Fono", the American Samoa Legislature.

8. In November 2008, Governor Togiola T. A. Tulafono was re-elected, as was Lieutenant-Governor Faoa Ipulasi A. Sunia. Their terms of office will expire in November 2012, when the next elections are due to be held. As previously reported, in September 2007, Lieutenant-Governor Sunia was taken into custody by the United States Federal Bureau of Investigation and later released, in connection with contracts related to the Territory's Department of Education. Pending conclusive legal action, Mr. Sunia, who entered a "not guilty" plea in federal court in Washington, D.C., continues to serve as Lieutenant-Governor. In February 2010, the trial was ended by a federal judge declaring a mistrial after the jury failed to reach a verdict.

9. The Fono is a bicameral legislature, comprising an 18-member Senate, whose members are chosen by 14 tribal councils, and a 21-member House of Representatives, 20 of whom are elected by popular vote and 1 of whom is appointed as a non-voting delegate from Swains Island. Only a "matai", the traditional chief of an extended family, or "aiga", can become a senator. Senators hold office for a four-year term and representatives for a two-year term. The Fono may pass laws with respect to all local affairs, provided they are not inconsistent

with United States laws in force in the Territory or with United States treaties or international agreements.

10. Since 1981, American Samoa has elected by direct vote a delegate to the United States House of Representatives for a two-year term. The delegate may vote in committees and on the floor except on final passage. During the 2010 general election, Mr. Eni F. H. Faleomavaega was re-elected for a twelfth consecutive two-year term to the United States Congress.

11. The judiciary system consists of the High Court, for which the Chief Justice and the Associate Justices are appointed by the United States Secretary of the Interior, and the local district and village courts, for which the judges are appointed by the Governor. The High Court is separated into Appellate, Trial, Land and Titles, and Family, Drug and Alcohol divisions. The United States Congress has granted limited federal jurisdiction to the High Court to hear certain cases that involve federal statutory issues. Examples of federal judicial power delegated to the High Court include the authority to decide Occupational Safety and Health Administration issues and ship mortgage actions in American Samoa. Other matters of federal law arising in the Territory are adjudicated in the United States district courts, mainly the federal courts in Hawaii and Washington, D.C. Since American Samoa is not part of a United States federal judicial district or circuit, there are no statutory provisions for appealing decisions of the High Court to a federal district court.

12. In his statement at the Pacific Regional Seminar in Nouméa, New Caledonia, on 19 May 2010, the Governor of American Samoa recalled that in the past, the Territory had requested the Special Committee to remove it from the list of Non-Self-Governing Territories because its "unincorporated" and "unorganized" status was akin to that of a self-governing Territory. The Governor continued by saying that while the Territory held the same position, the time had come for a more definitive workplan to force a more collaborative approach between the Territory and the administering Power in moving forward on issues of political status, local autonomy, self-governance and economic development.

13. The Governor further noted the special affinity of the people of American Samoa with the administering Power, manifested in the significant number of them serving in the United States armed forces, and the trust which allowed the Territory to maintain its authority over immigration and customs. However, there was cause for concern that the said authority was being exercised by the United States federal Government at the Territory's expense and that furthermore, American Samoa was being restricted in its use of land and its freedom to dispose of the grants allocated to it by the administering Power. In addition, United States minimum wage laws introduced in the Territory had caused serious, perhaps irreparable, economic damage. The absence of federal technical assistance and expertise to help American Samoans truly understand the effect of federal laws on the Territory's economy and form of government was also lamented.

14. The Governor stressed that those issues could be resolved by applying a clearly specified, consistent principle as to how the Territory would be treated in the future. He underlined the importance of providing assistance and training on issues critical to the Pacific region and in that connection, he requested the Special Committee to pay a visit to American Samoa during its constitutional convention.

III. Budget

15. According to the administering Power, the budget of the territorial Government for the fiscal year 2011, which began on 1 October 2010, is approximately $466 million, as proposed by the Government of American Samoa (a 39 per cent increase over the 2010 fiscal year budget). Meanwhile, a $7.2 million revenue shortfall is expected for 2011. In this regard, the Legislature of the Territory is reported to be considering an increase in the minimum income tax by 2-4 per cent. Another measure being considered to offset the shortfall is a tax increase on cigarettes, alcohol, sweet drinks and imported bottled water. Revenues of the Government of American Samoa consist of federal support (approximately 60 per cent) and locally generated revenues (approximately 40 per cent).

IV. Economic conditions

A. General

16. The September 2009 closure of the Chicken of the Sea Samoa Packing tuna cannery, as a result of which more than 2,000 workers lost their jobs, could have major consequences for the local economy. The vacant plant has since been taken over by the United States-based Tri Marine International, which will operate the facility in Pago Pago as Samoa Tuna Processors. The new company is expected to produce high-quality tuna for sale primarily in the United States and Japan. Also, during the demolition and construction phases of the new cannery, the company is expected to hire local workers unless the specialized skills of off-island workers are required. At this stage it is not clear what impact the construction of a new plant will have on the overall level of employment.

17. In 2010, American Samoa was awarded nearly $166 million under the American Recovery and Reinvestment Act, of which only $29 million had been spent at the end of January 2011. The main reason for the delay as cited by the territorial Government was the non-compliance by the departments with the regulations governing the recovery funds as well as overwhelming requirements for reporting on disbursed funds.

18. The Territory's largest trading partner is the United States, followed by Australia, India, Indonesia, Japan and New Zealand. As previously reported, American Samoa imports some 90 per cent of goods and products, including food and petroleum products, machine parts, building materials, textiles and clothing.

B. Fisheries and agriculture

19. In his 2011 State of the Territory address, the Governor indicated his intention to request the administering Power's assistance for the fishing industry. According to him, the territorial Government and the federal authorities were currently dealing with issues related to changes in the laws that regulated fishing boats and the catch delivered to the Territory. He said that due to modifications in the business agreements between the Tri Marine and Low-in-Tide companies, fish would soon be prepared for the American and Japanese markets. In this context, he stressed that the corresponding laws governing export activities should be adjusted accordingly.

20. Almost 90 per cent of all farms in the Territory operate on a subsistence basis, and prospects for agricultural development continue to be limited owing to the small amount of level land suitable for cultivation. At the same time, farmers in American Samoa benefit from assistance provided by the Natural Resources Conservation Service of the United States Department of Agriculture and its Environmental quality incentives programme.

C. Tourism

21. Despite its tremendous potential, including its pristine beaches and coasts, green mountains, friendly locals and rich island life traditions, American Samoa is still relatively unrecognized by tourists, possibly because of its remote location.

22. In his 2011 State of the Territory address, the Governor said that he would continue to seek support from the United States Congress and the Department of the Interior to address the air transportation problem between American Samoa and Hawaii. In his view, the cabotage laws stood in the way of the Territory developing the tourism industry. The fares between Hawaii and the west coast of the United States were estimated at $500 while those between Hawaii and American Samoa were estimated at $1,200 or more. This situation, in his view, undermined any plans to develop tourism in the Territory. He also intended to request permission for flights between American Samoa and Australia, China, New Zealand and the Republic of Korea.

23. The tourism industry comprises approximately 7 per cent of the economy and a few businesses sell exclusively to the local market. According to the Visitors Bureau, in 2010 the Territory had 249 hotel rooms operating at less than 50 per cent occupancy.

D. Transport and communications

24. There are approximately 180 kilometres of public and primary paved roads and 235 kilometres of secondary village roads in American Samoa. The Federal Highway Administration Hawaii Federal-Aid Division has approved $49.3 million in emergency relief funds for the Territory's roads that were damaged by the earthquake and the tsunami on 29 September 2009.

25. Pago Pago harbour, an all-weather deep-draught harbour, is one of the best natural deep-water harbours in the South Pacific and is of strategic importance to the region. The main dock is 1,000 feet long, handling ships of up to a 32-foot draught. The harbour provides the full complement of equipment and facilities. Its ship repair facility features a 3,000-ton marine railway.

26. The four airports in the Territory are situated on the islands of Tutuila, Ofu, Olosega and Ta'u, respectively. Pago Pago International Airport is owned and operated by the territorial Government. The main airport is regularly served by a number of airlines that link American Samoa with Hawaii and the continental United States as well as other countries in the South Pacific. Within the Territory, Inter Island Airways offers regular flights to Ofu, Olosega and Ta'u. In March 2010, American Samoa got a federal grant of $2.5 million for airport improvements.

27. According to local media sources, the Territory has three FM stations and three AM stations, serving approximately 57,000 radios. One Government-owned television station broadcasts over three channels to approximately 14,000 television sets. Internet access is provided by the American Samoa Telecommunications Authority, a semi-autonomous government agency.

E. Water, sanitation system and utilities

28. The American Samoa Power Authority, which is Government-owned, provides water, wastewater, solid-waste and electric services to customers on five of the seven islands. The Authority provides drinking water to 90 per cent of the Territory from wells, with the remaining part being serviced by outer-village systems. According to a survey published in August 2010, the Authority loses up to 50 per cent of its water through leaky pipes and in some areas water has a high salt content. The survey also indicated that the design limitations of water pipes made their maintenance an extremely difficult task.

29. In 2010, the Governor announced that as a direct effect of the cannery's closing in 2009 and the wage increase, a further possible rise in the costs of shipping and imported goods, including the fuel used to generate electricity, was to be expected.

V. Social conditions

A. General

30. Known as "fa'asamoa", the Samoan way of life is based on the notion of mutual respect and sharing among the aiga (extended families), each featuring a common allegiance to a matai (chief), and it influences every aspect of the Territory's socio-economic fabric. As previously reported, since 2008, the Territory's legislature has been working to further strengthen the use of the Samoan language for classroom instruction in public schools, in tandem with English. To this end, in March 2009 the American Samoa Department of Education received $618,000 for grades from kindergarten to grade 12.

B. Labour and immigration

31. When the Chicken of the Sea cannery pulled out of American Samoa, it cited a 2007 federal law that mandated annual minimum wage hikes in the Territory up to the federal minimum wage of $7.25 an hour. The law was also cited by StarKist Co. in its decision to lay off 800 workers at its cannery in 2010. Subsequently, the United States President signed into law a bill delaying the implementation of the wage hike in American Samoa in 2010 and 2011.

32. Maintaining that it was an act of Congress that led to the layoffs, the Governor asked Washington, D.C., for direct payments to help affected workers who had lost their jobs. In June 2010, the United States House of Representatives passed legislation to help get American Samoa's economy in order. The legislation included a request to provide an $18 million tax credit to the Government of American

Samoa. The other two measures aimed at improving the economy are the American Samoa Protection of Industry, Resources and Employment Act and an additional $25 million within the framework of economic assistance.

33. American Samoa has its own immigration laws and entry conditions into the Territory, which are not the same as those applicable to the United States. As previously reported, a new immigration law for American Samoa came into force, giving the Attorney General, instead of a Government-appointed board, full authority over granting permanent resident status.

C. Education

34. Education in American Samoa is compulsory from 6 to 18 years of age. The education system is broadly based on that of the United States. According to the American Samoa Department of Education, there are 24 early childhood education centres, 23 elementary schools and 6 high schools in the Territory. The Department serves over 14,150 students in grades kindergarten to 12, early childhood education and special education.

35. The Department of Education has five school districts, each centred on a high school together with lower level elementary or "feeder schools". The Department has 472 teaching personnel in elementary education, 191 teaching personnel in secondary education, 18 teaching personnel in vocational education, 202 teachers in special education and 118 teaching personnel in early childhood education. American Samoa has a literacy rate of approximately 97 per cent.

36. The American Samoa Community College offers two-year degree courses in the arts and sciences and certificate programmes of proficiency in vocational and clerical skills, business and nursing.

37. In 2010, for the second consecutive year, the American Samoa Department of Education was granted the Teacher Shortage Areas designation by the United States Department of Education. This designation paves the way for teachers in those areas to apply for a federal loan deferment and/or cancellation.

D. Public health

38. The 2010 estimate for life expectancy in the Territory was approximately 73.72 years, 70.80 for males and 76.82 for females. The annual birth rate was estimated at 23.31/1,000 population and the annual death rate at 4.1/1,000 population. The fertility rate was estimated at 3.22 children per woman.

39. The main, semi-autonomous public hospital in the Territory has 150 beds and a staff of 25 physicians. Medical, dental and pharmaceutical services in the Territory are available 24 hours a day. Dispensaries have been established in Ta'u and Ofu, providing services to the Manu'a Islands. In 2009, hospitals in Honolulu stopped accepting medical referrals from the Lyndon Baines Johnson Tropical Medical Center in American Samoa until a half million United States dollar debt was paid. Despite some financial woes, the Medical Center has paid back some $4 million of what it owes to the United States federal Government on an overpayment by Medicare.

40. In 2010, the Territory received $1 million in federal funds through the Grants to states for health insurance premium review programme. This programme, also known as the rate review grant programme, was authorized under the health-care reform enacted through the landmark Affordable Care Act, passed by the United States Congress in March 2010. The rate review grant is designed to help states and territories establish a process to monitor health insurance premiums offered by insurance companies and to ensure that consumers are protected from unreasonable, unjustified, or excessive premium increases.

41. In August 2010, the American Samoa Department of Health expressed concerns about the steady rate at which the people were contracting dengue fever. The number of cases in the first half of 2010 was already 282 (compared to 249 reported cases in the first six months of 2009).

E. Crime and public safety

42. Sexual crime victimizing children is on the increase in American Samoa, with the vast majority of cases taking place within families.[2] In April 2010, the Governor announced plans to increase penalties for those convicted of child sexual abuse. He said that the Administration planned to submit to the Fono a bill that would provide for a life sentence without possibility of parole. As previously reported, the Governor had also established the Sexual Offender Registration Notification Act Working Group to ensure compliance with the requirements of the Act and to provide counsel and input into strategic planning, development and implementation of the sex offender registry.

43. The Territory has continued to enhance cooperation with the Pacific Islands Chiefs of Police organization and the United States Department of Justice through its newly established Office of Territorial and International Criminal Intelligence and Drug Enforcement.

VI. Environmental protection and disaster preparedness

44. The American Samoa Environmental Protection Agency, funded by the United States Environmental Protection Agency, is mandated to protect human health and to safeguard the natural environment: air, water and land.

45. In January 2010, American Samoa received a relief fund of $49 million from the Federal Highway Administration for road infrastructure damaged by the earthquake, tsunami and flooding that occurred in September 2009.

46. In August 2010, nearly a year after the tragedy, American Samoa was ready to install a $1.9 million tsunami warning siren system funded by the United States Department of Homeland Security. In total, 39 sirens were in the process of being installed throughout the Territory. In terms of disaster preparedness, American Samoa has been allocated $1.85 million in federal grants from the Department of Homeland Security.

[2] *Atlantic Free Press*, 4 July 2008.

VII. Relations with international organizations and partners

47. American Samoa has been an associate member of the Economic and Social Commission for Asia and the Pacific since 1988. International labour conventions and recommendations are applicable to it. The Territory belongs to various regional bodies of the United Nations system, including the World Health Organization, for which it falls under the Regional Office for the Western Pacific and the Western Pacific Regional Centre for the Promotion of Environmental Planning and Applied Studies.

48. American Samoa is a member of several regional organizations, including the South Pacific Commission, the Pacific Basin Development Council, the Pacific Tuna Development Foundation, the Pacific Islands Associations, the Asian South Pacific Bureau of Adult Education, the Pacific Asia Travel Association, the South Pacific Regional Environment Programme, the South Pacific Applied Geoscience Commission, the Secretariat of the Pacific Community and the Council of Pacific Arts. It also belongs to United States organizations, such as the National and Western Governors' Associations. The Government of American Samoa has signed memorandums of understanding with the Governments of Samoa and Tonga on mutual economic cooperation and has sent trade missions to a number of countries in the Pacific region.

49. According to the administering Power, American Samoa, along with other United States Territories, requested to be allowed to interact more and to become an observer at regional political forums in the Pacific and in the Caribbean, such as the Pacific Islands Forum and the Caribbean Community.

VIII. Future status of the Territory

A. Position of the territorial Government

50. Section II of the present working paper reflects recent developments in American Samoa concerning its future political status.

B. Position of the administering Power

51. In a letter dated 2 November 2006 addressed to Congressman Faleomavaega, the United States Assistant Secretary of State for Legislative Affairs set forth the position of the Government of the United States on the status of American Samoa and other United States Insular Areas, which was considered equally valid for 2010. In his letter, the Assistant Secretary indicated that the status of the Insular Areas regarding their political relations with the federal Government was an internal United States issue, and not one that came under the purview of the Special Committee. He also stated that the Special Committee had no authority to alter in any way the relationship between the United States and those Territories and no mandate to engage the United States in negotiations on their status. In the letter, it was further stated that at the same time, in accordance with its obligations under the Charter of the United Nations to provide regularly to the United Nations statistical and other information of a technical nature relating to the economic, social and educational conditions, the federal Government did submit annual updates on

United States Territories to the Special Committee as a demonstration of United States cooperation as an administering Power and to correct any errors in information that the Special Committee might have received from other sources.

C. Action by the General Assembly

52. On 10 December 2010, the General Assembly adopted without a vote resolutions 65/115 A and B, based on the report of the Special Committee transmitted to the General Assembly (A/65/23) and its subsequent consideration by the Fourth Committee. Section I of resolution 65/115 B concerns American Samoa. Under that section's operative paragraphs, the General Assembly:

1. *Takes note* of the proposed amendments to the 1967 revised Constitution of American Samoa adopted at the fourth Constitutional Convention held in June 2010;

2. *Welcomes* the work of the territorial Government and legislature in accordance with the recommendations made by the Future Political Status Study Commission in preparation for the fourth Constitutional Convention, and commends the related efforts of the territorial Government to enhance public awareness of the Convention;

3. *Expresses appreciation* for the invitation extended in 2010 to the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples by the Governor of American Samoa to send a visiting mission to the Territory, calls upon the administering Power to facilitate such a mission if the territorial Government so desires, and requests the Chair of the Special Committee to take all the steps necessary to that end;

4. *Requests* the administering Power to assist the Territory by facilitating its work concerning a public awareness programme recommended by the Future Political Status Study Commission in its 2007 report, consistent with Article 73 *b* of the Charter of the United Nations, and, in that regard, calls upon the relevant United Nations organizations to provide assistance to the Territory, if requested;

5. *Calls upon* the administering Power to assist the territorial Government in the diversification and sustainability of the economy of the Territory and to address employment and cost-of-living issues.

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Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

Gibraltar

Working paper prepared by the Secretariat

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I. General

1. Gibraltar is a Non-Self-Governing Territory administered by the United Kingdom of Great Britain and Northern Ireland. The Territory is a narrow peninsula extending southward from the south-west coast of Spain, to which it is connected by an isthmus approximately 1.6 kilometres long. The Spanish port of Algeciras lies 8 kilometres across the bay to the west; the continent of Africa is situated 32 kilometres across the Strait of Gibraltar to the south. According to the administering Power, the area of Gibraltar is 5.8 square kilometres; according to Spain, which claims sovereignty over the Territory, it is 4.8 square kilometres. Issues relating to the water off Gibraltar continue to be a subject of contention.

2. According to the administering Power, in 2009 the population in the Territory was 29,431. The currency of the Territory is the Gibraltar pound, circulating at par with the pound sterling. The Territory's main trading and commercial transactions are with European countries, the United States of America and North African countries.

3. The basis of the current relationship between the Government of the United Kingdom and its Non-Self-Governing Territories is enshrined in the constitution of each Territory. The British Overseas Territories Act 2002 grants the right of British citizenship to "British Overseas Territory citizens".[1]

II. Constitutional, legal and political issues

4. The Gibraltar Constitution Order 2006 came into force on 2 January 2007. Under the Constitution, the Governor of Gibraltar represents the British Crown in the Territory and is responsible for the conduct of external affairs, defence, internal security (including the police, in conjunction with the Police Authority for Gibraltar) and for certain appointments as conferred on him by the Constitution. Following an election, the Governor, acting at his discretion, shall appoint as Chief Minister the elected member of the Parliament who, in his judgement, is most likely to command the greatest measure of confidence of his peers. Other ministers shall be appointed by the Governor, acting in accordance with the advice of the Chief Minister, from among the elected members of the Parliament.

5. Gibraltar has a Supreme Court allowing for appeals to a Court of Appeal and thence to Her Majesty in Council, acting on the Privy Council's advice. The 2006 Constitution provides for the establishment of a Judicial Service Commission, which was set up under the Judicial Service Act 2007, Act No. 2007-26. The Commission has executive powers, subject only to an exceptional power of veto by the Governor, to advise the Governor in respect of certain matters, such as the appointments to the offices of the Chief Justice and other members of the judiciary. The Governor, with the prior approval of a Secretary of State, may disregard the advice of the

Note: The information contained in the present paper has been derived from public sources, as well as transmitted to the Secretary-General by the administering Power under Article 73 *e* of the Charter of the United Nations and from information provided by the Government of Spain and other sources, including those of the territorial Government. Further details are contained in previous working papers posted on the United Nations website www.un.org/Depts/dpi/decolonization/docs.htm.

[1] Information provided by the administering Power, 7 January 2011.

Commission in any case where he judges that compliance with that advice would prejudice the British Crown's service.

6. Under the Gibraltar Constitution, the British Crown retains full power to make laws from time to time for the peace, order and good government of Gibraltar. Included in those powers are laws amending or revoking the Constitution. The Constitution also makes provisions regarding Crown lands in Gibraltar.

7. Furthermore, according to the 2006 Constitution, the Governor shall dissolve Parliament in preparation for the next general election four years from the date of the first meeting of Parliament after any general election, unless Parliament has already been dissolved.

8. The last general elections in Gibraltar were held in October 2007. The incumbent Gibraltar Social Democratic Party obtained 49 per cent of the vote, followed by the Gibraltar Socialist Labour Party with almost 32 per cent and the Liberal Party with over 13 per cent. Peter Caruana, leader of the Gibraltar Social Democratic Party, was reappointed Chief Minister of Gibraltar for a fourth term. Joseph Bossano of the Gibraltar Socialist Labour Party continues as leader of the opposition, which includes the Liberal Party. The next elections are due to be held by the end of October 2011.

9. After a 10-year campaign to exercise the right to vote in European elections, in June 2004 Gibraltarians took part in European parliamentary elections, based on the fact that they were considered by the administering Power to be part of the south-west England region for electoral purposes.

10. The Government of Spain maintains the position that the 2006 Constitution represented a modernization of the Territory's Government that in no way affected the international capacity of Gibraltar; that its adoption was a reform of the colonial regime, which remains unaltered; and that it did not affect in any way the pending decolonization process of Gibraltar, to which the principle of self-determination does not apply.

11. Information on the positions of the administering Power, the territorial Government and the Government of Spain, as well as on the trilateral Forum for Dialogue on Gibraltar, can be found in sections VI and VII of the present document.

III. Budget

12. In his budget speech delivered on 1 July 2010, the Chief Minister gave a positive account of the Territory's public finances. According to information provided by the administering Power, as at 31 March 2010 the territorial Government's revenue was £270 million and its expenditures stood at £190.3 million, with £119 million in approved expenditure on capital projects for 2010/11.

13. The Chief Minister stated that the transition was under way to a new company tax regime with effect from 1 January 2011, when the Territory's tax-exempt company regime came to an end. In order to maintain Government revenue levels, it would be necessary to rebalance Government revenue streams affecting companies, which would possibly involve some increases in commercial rates, commercial electricity tariffs and employer social insurance contributions. The new company tax

regime, which went into effect on 1 January 2011, is applicable to all companies, and ends the Gibraltar tax-exempt company regime.

IV. Economic conditions

A. General

14. Gibraltar has no known natural resources and lacks agricultural land. With the downsizing of the military base since the 1980s, the economy has increasingly become focused on tourism and the provision of financial services, including banking, insurance, shipping and portfolio management.

15. Prior to 1980, the economy was largely dependent on the United Kingdom Ministry of Defence expenditures. The Gibraltar operating base includes military and civilian personnel. In 2010, the territorial Government expressed concern that the Ministry of Defence, because of its own budgetary problems, had to reduce the amount of work that it outsourced to local construction companies. At the same time, as a result of an agreement reached between the territorial Government and the Ministry of Defence, the base cannot reduce its workforce below an agreed level except by voluntary redundancies. Jobs lost above that level in most Ministry of Defence work areas are absorbed and protected by the territorial Government. In January 2011, the Ministry of Defence appointed a Special Representative to Gibraltar to work on a range of issues connected with the continued presence of the base.

16. In his 2010 budget speech, the Chief Minister stated that Gibraltar's economy had continued to grow and that the number of jobs in the Territory's economy remained at a near record high. In the year ending 31 March 2010, the Territory's gross domestic product (GDP) was estimated to have grown by just over 5 per cent to £914 million. Local tax-paying businesses benefited from a reduction in the company tax rate from 22 per cent to 10 per cent from 1 January 2011 onward. As at October 2010, GDP per capita stood at approximately £29,625.

B. Trade

17. According to the administering Power, the Territory's total imports amounted to approximately £1.7 billion for 2009, the latest available figure. Around 25 per cent of its non-fuel imports originate from the United Kingdom. Other sources of non-fuel imports include Germany, the Netherlands and Spain. The Territory's total exports for 2009 were approximately £1.3 billion. Exports were mainly re-exports of petroleum and petroleum products supplied to shipping.

C. Banking and financial services

18. Gibraltar has a well-developed financial sector, which is regulated by an independent statutory body, the Financial Services Commission. The Gibraltar Finance Centre is charged with the marketing and promotion of financial services. In his 2010 budget statement, the Chief Minister noted that a new era had unfolded within the year for the Territory's finance sector, repositioning it away from a tax haven to a mainstream international finance centre. The territorial Government was

working closely with the industry to ensure that the benefits of the Territory's new finance services become internationally known.

19. Twelve banks operate in Gibraltar, all of which are large multinational operations. A recent review indicated that Gibraltar had substantially implemented the principles of transparency and exchange of information developed by the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organization for Economic Cooperation and Development.

D. Transportation, communications and utilities

20. Road transportation arrangements in and out of Gibraltar were agreed upon at Córdoba and came into force in December 2006. They included the introduction at the fence/frontier of lanes in both directions, and red and green channels for both people and vehicles. Customs and police checks remain necessary, since Gibraltar does not belong to the European Union Customs Union. Moreover, the United Kingdom (and thus Gibraltar) does not belong to the Schengen area for external borders control purposes. In 2010, the territorial Government carried out road and parking projects valued at £66 million.

21. The United Kingdom continues to be responsible for all international obligations relating to aviation safety and security in respect of Gibraltar Airport, a military airfield available for civilian flights, with the Ministry of Defence retaining ownership of and operational responsibility for the military aviation aspects of the airfield. In July 2010, the British (National Air Traffic Services) and Spanish (Aeropuertos Españoles y Navegación Aérea) air control service providers reached an agreement on technical procedures helping to provide safe passage for aircraft using Gibraltar Airport.

22. The Strait of Gibraltar is a principal water route; the Territory's port facilities are used by many long-distance liners and cargo ships. According to the territorial Government's 2010 budget statement, port business had a successful year and improved on all fronts: the quantity of bunkers supplied, the number of vessels arriving, the increase of passenger ferry links and services, and the number of vessels registered on the shipping registry.

E. Tourism

23. According to the territorial Government, in 2009 the tourism industry had a reasonably good year, involving approximately 10.3 million visitors. Overall, the number of visitor arrivals rose, as did the amount of time they spent in Gibraltar. Arrivals in Gibraltar by land comprise mainly day visitors arriving from Spain; arrivals by air are primarily from the United Kingdom; arrivals by sea comprise ferry arrivals from Morocco and day trips from cruise ships.

V. Social conditions

A. Labour

24. According to the territorial Government, employment levels in Gibraltar were sustained in 2009 with an unemployment rate of 3.5 per cent. In October, they stood at 20,450, a slight decrease of 59 from the previous year, but still the second highest figure on record. The decrease in employment in construction, financial services and education was partly offset by an increase in wholesale and retail, transport and communications, health and social work, and online gambling. On 1 January 2011, the Territory's statutory minimum wage rose by 8 per cent from £5 to £5.40 per hour.

B. Human rights

25. As previously reported, the following major international human rights instruments apply in Gibraltar: the European Convention for the Protection of Human Rights and Fundamental Freedoms, the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the United Nations Convention against Torture and Other Cruel, Inhuman, or Degrading Treatment or Punishment and the International Convention on the Elimination of All Forms of Racial Discrimination. The Territory's 2006 Constitution includes an updated chapter on the fundamental rights and freedoms of the individual. According to the territorial Government, in 2010 a new prison at Lathbury Barracks came into operation, providing Gibraltar with a modern prison facility in which prisoners can be held with dignity and respect, in accordance with human rights standards.

C. Social security and welfare

26. The social security and welfare sectors in Gibraltar continue to be governed by various social security acts, which have been mentioned in previous working papers. According to media reports, old age pensions and widows' benefits were increased by 2.8 per cent with effect from 1 April 2010.

D. Public health

27. The Gibraltar Health Authority, a department of the territorial Government, is responsible for providing health care in the Territory. According to information provided by the administering Power, life expectancy in Gibraltar is approximately 79 years for males and 83 years for females, with an infant mortality rate of 5.7 per 1,000 births.

E. Education

28. Education in Gibraltar, governed by the Education and Training Act of 1974, is free and compulsory for children between the ages of 4 and 15. The language of instruction is English. Public education in Gibraltar comprises 11 primary schools and 2 secondary schools, as well as the Gibraltar College of Further Education and the Vocational Training Centre, serving over 5,200 students. According to the

administering Power, expenditure on education during the year ending on 31 March 2010 was approximately £24.3 million. Students who obtain a place at a university in the United Kingdom are entitled to Gibraltar Government scholarships. According to the territorial Government, university student grants increased by 10 per cent in the academic year 2010/11.

F. Crime and public safety

29. Law enforcement in the Territory continues to be the responsibility of the Royal Gibraltar Police, in conjunction with the Gibraltar Police Authority established under the Police Act 2006. In accordance with the Act, the Governor has overall, ultimate responsibility for the integrity, probity and independence of policing in Gibraltar and for the policing aspects of national security, including internal security.

30. The 2009/2010 annual report from the Gibraltar Police Authority indicates that the overall crime figure rose from 3,921 to 4,647 cases in the year under review, an increase of 726 cases. The assessment of the Authority was that this increase had been the result of police-generated enforcement of priorities identified in the policing plan and increases in front-line policing. The overall detection rate rose from approximately 60 to 63 per cent.

VI. Forum for Dialogue on Gibraltar

31. Negotiations between the United Kingdom and Spain on the subject of Gibraltar led in 2004 to the establishment of a Forum for Dialogue on Gibraltar. Since the establishment of the Forum, there have been several rounds of discussions, both before and after the ministerial meeting of the Forum in September 2006, when agreement was reached on a package of issues, known as the Córdoba Statements, and in July 2008, when the three sides endorsed at a second ministerial meeting the broad objectives of future agenda issues encompassing six additional areas of cooperation. Furthermore, at the third ministerial meeting of the Forum held in Gibraltar in July 2009 under the terms of the joint communiqué of 16 December 2004, the participants reconfirmed their commitment to the creation of a constructive atmosphere of mutual confidence and cooperation for the benefit and prosperity of Gibraltar and the whole region, in particular the Campo de Gibraltar, and endorsed the notion that cooperation and mutual trust should become the norm.

32. In January 2010, the participants decided that representatives of the Governments of Gibraltar, Spain and the United Kingdom would meet to take forward talks on the six areas of cooperation and subsequently refer any accomplishments to the Forum. The Forum met at senior official level in Gibraltar on 21 and 22 July 2010. The participants discussed the progress being made by working groups on each of the six areas that were agreed upon in 2008, namely, environmental issues; financial services and taxation; judicial, customs and police cooperation; education; maritime communications and safety; and visa-related issues. At the said meeting, the Forum noted with satisfaction the progress that had been made, and agreed on a timetable to conclude possible agreements by the Ministers at their next meeting. The Forum also agreed to maintain open lines of communications in relation to issues that might arise. The Forum further agreed to

consider ways to establish regular dialogue with environmental non-governmental organizations in Gibraltar and in the Campo.

33. In October 2010, the participants in the Forum decided that technical meetings would be held in five of the aforementioned six areas, namely, visa issues, financial services and tax, maritime communications and safety, environment and education. It was further decided that the issues relating to police, judicial and customs cooperation would be dealt with in political level meetings, with the aim of analysing possible formulas that would allow for such cooperation, enable incidents to be avoided and subsequently enable the experts to develop possible agreements for the consideration of the Forum. One such meeting was held in late 2010.

VII. Future status of the Territory

A. Position of the administering Power

34. In a statement in exercise of the right of reply before the Special Political and Decolonization Committee (Fourth Committee) of the General Assembly on 6 October 2010, the Deputy Permanent Representative of the United Kingdom to the United Nations reiterated his Government's position.[2] As represented in the summary record, the Deputy Permanent Representative, inter alia, reaffirmed that the United Kingdom would never enter into arrangements under which the people of Gibraltar would pass under the sovereignty of another State against their wishes, nor enter into a process of sovereignty negotiations with which Gibraltar was not content (A/C.4/65/SR.4).

35. Furthermore, the Deputy Permanent Representative indicated that the trilateral process of dialogue on Gibraltar between his Government and the Governments of Spain and Gibraltar continued to make progress. The positive atmosphere of the process and the real difference that the Córdoba agreements were making for people on both sides of the border underlined the value of three-way dialogue that was without prejudice to respective differences on sovereignty. His Government continued to enjoy very cordial relations with Spain and would continue to work constructively on all issues related to Gibraltar. The United Kingdom had no doubt about its sovereignty over Gibraltar and the territorial waters surrounding it, and was ready to consider any mechanism to advance negotiations that might find favour with the other two parties.

36. The Deputy Permanent Representative went on to say that the Gibraltar 2006 Constitution provided for a modern and mature relationship between Gibraltar and the United Kingdom, a description that would not apply to any relationship based on colonialism. As was well known, his Government regretted the outdated approach taken by the Special Committee on decolonization, as the criteria used for de-listing failed to recognize that the relationship between the United Kingdom and Gibraltar had been modernized in a way that was acceptable to both parties. The Deputy Permanent Representative concluded his statement by saying that his Government did not accept that the principle of territorial integrity had ever been applicable to the decolonization of Gibraltar, nor did it accept the assertion that the people of Gibraltar did not have the right of self-determination.

[2] See also the report of the Secretary-General, A/65/330, annex I.

B. Position of the territorial Government

37. On 6 October 2010, speaking to the Fourth Committee, the Chief Minister of Gibraltar stated that some countries, led by Spain, continued to put forward the "sterile" argument that the principles of the Declaration on the Granting of Independence to Colonial Countries and Peoples should be ignored and that the United Kingdom and Spain should engage in bilateral negotiations without taking into account the wishes of the people of Gibraltar. The Government of Spain claimed that the people protected by the Declaration were not the current inhabitants of Gibraltar, but the Spanish people (see A/C.4/65/SR.4).

38. The Chief Minister went on to say that the Territorial Government remained committed to the trilateral Forum for Dialogue on Gibraltar. It was also committed to reaching agreement with the Government of Spain on areas for cooperation. However, it would never make concessions to the latter's position on sovereignty, including sovereignty over its territorial waters, which the Government of Spain was disputing in flagrant violation of its legal obligations under the United Nations Convention on the Law of the Sea. Concluding, the Chief Minister said that the United Nations should recognize the rights of Gibraltar and remove it from the list of Non-Self-Governing Territories.

C. Position of the Government of Spain

39. On 6 October 2010, the Deputy Permanent Representative of Spain made a statement before the Fourth Committee noting that the General Assembly had repeatedly recognized in its decisions and resolutions that the colonial situation in Gibraltar was in violation of the Charter of the United Nations because it undermined the unity and territorial integrity of Spain. The principle of self-determination could not be applied to the decolonization of Gibraltar because the current inhabitants were not a colonized people but had been one of the main instruments used by the United Kingdom to dispossess the indigenous Spanish population.

40. The Deputy Permanent Representative went on to say that the United Nations had adopted decisions and resolutions every year since 1964 calling for bilateral negotiations between the Governments of the United Kingdom and Spain with a view to reaching a negotiated solution that took into account the interests of the inhabitants of the Territory. His Government once again affirmed its readiness to resume direct talks with the Government of the United Kingdom. The Deputy Permanent Representative concluded his statement by saying that his Government would continue to work within the Forum for Dialogue on Gibraltar with a view to resolving issues relating to local cooperation for the social welfare and economic development of the inhabitants of the Campo de Gibraltar and Gibraltar, which would have a clear impact on the well-being of the inhabitants.

41. In exercise of the right of reply to a statement made by the Government of the United Kingdom at the same Fourth Committee meeting, the Government of Spain stated that its position regarding the waters surrounding Gibraltar was unchanged: the Government of Spain recognized that the United Kingdom did not have rights over those maritime areas except those granted in article X of the Treaty of Utrecht (A/C.4/65/SR.4, see also the report of the Secretary-General A/65/330/Add.1).

D. United Kingdom-Spain negotiations

42. There were no bilateral negotiations on Gibraltar in 2009 within the framework of the Brussels Process, which is separate from the Forum for Dialogue on Gibraltar. In late 2010, the Minister for Foreign Affairs of Spain indicated her intention to generate the necessary confidence to renew bilateral sovereignty talks with the Government of the United Kingdom.

E. United Kingdom-Gibraltar discussions

43. The Governments of the United Kingdom and Gibraltar have both recognized that the 2006 Constitution provides for a modern and mature constitutional relationship between the two sides, one which is not based on colonialism.

44. As reflected in previous working papers, both the Government of the United Kingdom and the territorial Government believe that the de-listing and decolonization criteria of the United Nations are anachronistic, and at the same time, they recognize that under Article 73 *e* of the Charter of the United Nations, the United Kingdom is obliged to continue to submit annual reports until such time as the General Assembly votes in favour of the removal of a Territory from its list of Non-Self-Governing Territories.

VIII. Consideration by the United Nations

A. Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples

45. A representative of Spain attended the Pacific regional seminar on the implementation of the Second International Decade for the Eradication of Colonialism held in Nouméa, New Caledonia, from 18 to 20 May 2010, and made a statement.

46. The Special Committee, which discussed the question of Gibraltar on 15 June 2010, had before it the 2010 working paper prepared by the Secretariat concerning the Territory (A/AC.109/2010/16). As reflected in the summary record (A/AC.109/2010/SR.4), statements were made by the representative of Spain and by the leader of the opposition in Gibraltar. On the proposal of the Chair, the Committee decided to resume the consideration of the question at its next session and to transmit the relevant documentation to the General Assembly in order to facilitate the consideration of the question by the Fourth Committee.

B. Special Political and Decolonization Committee (Fourth Committee)

47. The Fourth Committee of the General Assembly considered the question of Gibraltar on 6 October 2010. As reflected in the summary record (A/C.4/65/SR.4), the Committee heard statements by the Chief Minister of Gibraltar, and a petitioner, Joseph Bossano, leader of the opposition. At the same meeting, statements were

made by the Deputy Permanent Representative of Spain and, in exercise of the right of reply, by the Deputy Permanent Representative of the United Kingdom, who referred to the statement made by the representative of Spain. At its 7th meeting, on 11 October 2010, the Fourth Committee adopted without a vote draft decision A/C.4/65/L.4 on the question of Gibraltar, which had been submitted by the Chair of the Decolonization Committee.

C. Action by the General Assembly

48. On 10 December 2010, the General Assembly, on the recommendation of the Fourth Committee, adopted without a vote decision 65/521 on the question of Gibraltar. The decision reads as follows:

> The General Assembly, recalling its decision 64/521 of 10 December 2009 and the statements agreed to by the Governments of Spain and the United Kingdom of Great Britain and Northern Ireland in Brussels, on 27 November 1984,[3] and in Madrid, on 27 October 2004, and noting the establishment, pursuant to the latter, of the tripartite Forum for Dialogue on Gibraltar, separate from the Brussels Process, under the statement made jointly by the Governments of Spain, the United Kingdom and Gibraltar on 16 December 2004:
>
> (a) Urges both Governments, while listening to the interests and aspirations of Gibraltar, to reach, in the spirit of the statement of 27 November 1984, a definitive solution to the question of Gibraltar, in the light of relevant resolutions of the General Assembly and applicable principles, and in the spirit of the Charter of the United Nations;
>
> (b) Welcomes the continuing success of the trilateral Forum for Dialogue and the shared commitment to make further progress in six additional areas of cooperation.

[3] See A/39/732, annex.